

State of Connecticut

STATE OF CONNECTICUT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended
June 30, 2002

*Prepared by the Office of the
State Comptroller*

NANCY WYMAN
STATE COMPTROLLER

This publication will be made available, upon request, in large print, Braille or audio cassette pursuant to the requestor's requirements.

[Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Office of the State Comptroller

The State Comptroller is one of the six State officers elected to hold office for a term of four years. The office of the State Comptroller was established in 1786 by an act of the General Assembly. The Constitutional Amendment of 1836 provided that the Comptroller be elected by the people in a manner similar to that of other State officers. Since 1838 this method has been in effect.

The Comptroller prescribes the mode of keeping and rendering all public accounts. She is required to adjust and settle all public accounts and demands, excepting grants and orders of the General Assembly. The Comptroller also renders a monthly accounting of the State's financial condition.

In addition, the Comptroller approves and records all obligations against the State. She maintains all official accounting records and is responsible for the employee payrolls for all State agencies, departments, and institutions. Her office administers all Retirement Systems other than Teachers' retirement. Additionally, the Comptroller administers numerous miscellaneous appropriations of the State.

[Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)



STATE OF CONNECTICUT

NANCY WYMAN
COMPTROLLER

OFFICE OF THE STATE COMPTROLLER
55 ELM STREET
HARTFORD, CONNECTICUT 06106-1775

MARK OJAKIAN
DEPUTY COMPTROLLER

February 28, 2003

To the Citizens of the State of Connecticut:

It is our privilege to present this Comprehensive Annual Financial Report (CAFR) of the State of Connecticut for the fiscal year ended June 30, 2002. This report was prepared in its entirety by the Office of the State Comptroller. The Comptroller is responsible for state accounting practices and is committed to sound financial management and governmental accountability.

We believe that the financial statements are fairly presented in all material aspects. They are designed to set forth the financial position of the state, its operating results and the changes in net assets or fund balances of the major funds and non-major funds in the aggregate. All required disclosures have been included to assist the public, state policy makers, and the financial community in understanding the state's financial affairs.

The CAFR is designed to be in conformance with generally accepted accounting principles (GAAP) for governmental units as promulgated by the Governmental Accounting Standards Board as well as the reporting requirements prescribed by the Government Finance Officers Association. Significant changes to the content and format of the statements for Fiscal Year 2002 include a section titled Management's Discussion and Analysis (MDA) that contains information previously found within the letter of transmittal. In addition to the basic financial statements, the CAFR includes: combining financial statements that present information by fund category, certain narrative information that describes the individual fund categories, supporting schedules, and statistical tables.

PROFILE OF THE STATE OF CONNECTICUT

Connecticut became the fifth state of the United States on January 9, 1788. Its borders encompass 5,009 square miles. Within its compact borders, Connecticut has forested hills, new urban skylines, shoreline beaches, and historic village greens. There are world class schools, modern expressways, corporate offices, and small farms. Connecticut is a thriving center of business as well as a vacation location. It is both a New England State, and suburban to New York City. The population of Connecticut was 3,405,565 according to the 2000 U.S. Census. Five large cities, Bridgeport, New Haven, Hartford (the State Capitol since 1875), Stamford and Waterbury, have populations in excess of 100,000 residents.

State Government in Connecticut has three branches: executive, legislative and judicial. Voters elect six state officers: Governor, Lieutenant Governor, Treasurer, Comptroller, Secretary of State and Attorney General. All have four-year terms. Connecticut also elects two U.S. Senators and five U.S. Representatives. Connecticut's General Assembly or legislature has a Senate and a House of Representatives. The regular sessions of the General Assembly are held every year. These sessions run from January through June in odd-number years and from February through May in even-number years. The General Assembly reconvenes in special session to deal with emergencies or bills or appropriations vetoed by the Governor. Members of both houses represent districts based on population. There are currently 36 State Senators and 151 State Representatives. Members of the General Assembly are elected to two-year terms. The Judicial Department is composed of the Superior,

Appellate and Supreme courts. Except for judges of the probate court, who are elected by the voters of the town or district that they serve, all judges are nominated by the Governor and appointed by the General Assembly.

Connecticut has no system of county government. Below the state level, governing units consist of 169 municipalities. The General Statutes of Connecticut provide procedures for the creation of many types of local special purpose authorities, districts and similar bodies. Under Connecticut law, all municipal governmental bodies have only the powers specifically granted to them by the state and the ancillary powers that are necessarily implied by the powers explicitly granted.

ECONOMIC CONDITION AND OUTLOOK

From the outset of Fiscal Year 2002 it was clear that Connecticut's authorized General Fund budget of \$12.4 billion would end the year in deficit. A national economic recession exacerbated by the September 11th terrorist attack produced a 9.5 percent drop in Connecticut's General Fund revenue collections as compared to the prior fiscal year. State revenues fell \$1.5 billion below budget expectations. Throughout the course of the fiscal year, state spending authority was reduced \$254.3 million from the original budget authorization level. In addition, the state's cigarette tax was increased to generate an additional \$40.5 million in Fiscal Year 2002 revenue. Despite these deficit mitigation efforts, the state was forced to deplete its entire budget reserve fund of \$594.7 million and to issue economic recovery notes in order to eliminate the remaining deficit.

Nationally, Real Gross Domestic Product (GDP) grew at an anemic 0.3 percent rate in calendar year 2001, the slowest rate of growth since 1991. Throughout the four quarters of Fiscal Year 2002, GDP growth averaged a moderate 2.2 percent on an annualized basis.

Personal spending on goods and services generally accounts for two-thirds of GDP. Approximately half of personal spending is done through retail stores. During the last decade, variations in retail trade proved to be a good barometer of overall state economic health. Over the five-year period preceding Fiscal Year 2001, retail trade in Connecticut grew at an average annual rate of 6.1 percent. In Fiscal Year 2001, retail trade in the state declined 0.9 percent as the state economy contracted.

During Fiscal Year 2002 the nation lost 1.4 million payroll jobs, a one percent decline in payroll employment. During this same period, Connecticut lost 10,900 payroll jobs, a decline of just under one percent. Forecasts show moderate job growth resuming in Connecticut by Fiscal Year 2004. Employment in Connecticut is distributed by sector as follows: Services 32 percent, Trade 21 percent, Manufacturing 15 percent, Government (includes Casino employment) 14 percent, Finance 9 percent, Utilities 5 percent, and Construction 4 percent.

One important component of the manufacturing sector in Connecticut is the defense industry. Approximately one quarter of the state's manufacturing employees are employed in defense related businesses. Nonetheless, this sector's significance in the state's economy has declined considerably. Federal money earmarked for Connecticut's defense related industries was cut substantially over the past decade. Still, Connecticut ranked in the top ten states in total defense contract awards in Federal Fiscal Year 2001. Connecticut remains a leading producer of aircraft engines and parts, submarines, and helicopters.

In Connecticut, the export sector of manufacturing has assumed an increasingly important role in overall economic growth. Exports of manufacturing products registered at \$8.6 billion in 2001. From 1997 to 2001, the state's export of goods grew at an average annual rate of 5.2 percent.

During Fiscal Year 2002 national unemployment grew from 4.6 percent to 5.9 percent, while Connecticut's unemployment rate rose from 3.3 percent to 3.6 percent. The slow growth in the state's unemployment rate during the period can be attributed to a decline in the state's pool of available workers. During Fiscal Year 2002 Connecticut's labor force of over 1.7 million declined by 6,255 workers, while nationally the labor force experienced modest growth. Declines in the state's labor force over the past decade have been viewed by some economists as a possible impediment to future economic growth; however, worker productivity in Connecticut is more than 20 percent higher than the national average mitigating some of the negative consequences of a declining pool of workers.

Connecticut has a high level of personal income. Historically, the State's average per capita income has been among the highest in the nation. Connecticut's per capita income of \$41,931 in 2001 was 14 percent above the New England average and 38 percent above the national average. In 2001, Connecticut personal income grew 3.5 percent. Results for the second quarter of 2002 showed personal income growth slowing to an annualized rate of 1.5 percent. In the five years prior to 2001, state personal income grew at an average annual rate of close to 6 percent. Connecticut also has a high median household income of \$53,347 in 2001, which was 26 percent above the national median income for the period.

MAJOR GOVERNMENT INITIATIVES

During Fiscal Year 2002, the implementation of new government initiatives was restricted by the significant shortfall in state revenues discussed above. As a result of the revenue shortfall, much of the Fiscal Year 2002 legislation was in reaction to the building budget deficit. However, despite the financial difficulties presented by a growing General Fund operating deficit, the state continued to move forward with infrastructure improvement projects, with much of the capital spending being education related.

In 1995, the General Assembly passed legislation that implemented \$1.03 billion in capital improvements to the University of Connecticut. The infrastructure program was called UCONN 2000. The University and Health Center infrastructure improvements were scheduled to proceed in two phases and to end in 2005. In 2002, Public Act 02-3 (UCONN 21st Century) was signed into law extending the UCONN 2000 financing program for an additional ten years through 2015. The Act authorized fifty-one new projects at a total cost of \$1.25 billion.

In addition to higher education, the state has made substantial grant commitments to assist in rebuilding public schools in cities, towns and regional school districts. These school construction grants are primarily financed through state bond funds. Public Act 02-2 of the May Special Session authorized state grant commitments for 152 school building projects. Legislation also limited the amount that the Commission of Education may submit for priority grant reimbursements in 2003 and 2004 to one billion dollars. Total state grant commitments for present and future school construction projects were estimated at \$3.9 billion as of June 30, 2002.

BUDGETARY AND OTHER CONTROL SYSTEMS

In November 1992, electors approved an amendment to the State Constitution providing that the amount of general budget expenditures authorized for any fiscal year shall not exceed the estimated amount of revenue for such fiscal year. This amendment also provided a framework for placing a cap on budgeted appropriations. Annual budgeted appropriations are capped at a percentage increase that is based on either the five-year average annual growth in the state's personal income or inflation, whichever is higher. Debt service payments, certain statutory grants to distressed municipalities, and appropriations required by federal mandate or court order are excluded from the limits of the cap. The spending cap can be lifted if the Governor declares the existence of extraordinary circumstances and the General Assembly by a three-fifths vote approves appropriations in excess of the cap.

Budget control is maintained at the individual appropriation account level by agency as established in authorized appropriation bills. The allotment process exercises control over obligations or commitments. The Governor, through his budget office, allots funds for both budgeted and non-budgeted accounts and funds. The Governor is permitted to modify appropriations through the allotment process under certain circumstances and within percentage limitations specified by the General Assembly.

Elected officials, agency commissioners, directors of public benefit corporations and agency managers are responsible for establishing internal control structures. Good internal control systems ensure that: resource use is consistent with laws, regulations and policies; resources are safeguarded against waste, loss and misuse; and reliable data are obtained, maintained and fairly disclosed in reports. The Office of the State Comptroller has worked to improve the overall internal control environment in state government. This work has included improvements to the central state accounting system that advance internal control efforts.

RISK MANAGEMENT

The state retains risk for certain property and liability claims, including workers' compensation. The State Insurance and Risk Management Board serves as the focal point of risk management and insurance matters, retaining a balance of commercially placed coverage and risk retention to provide optimal coverage at the minimum cost.

CASH MANAGEMENT

The State Treasurer continually monitors cash flow to maximize the utilization of cash resources. During the year, temporary balances are invested in the state's short-term investment fund. This fund is a money market investment pool with investments consisting of certificates of deposit, bankers' acceptances, commercial paper, repurchase agreements, federal agency securities, and other investments with various ranges of maturities. The investment income and average yield rate for Fiscal Year 2002 for this fund was approximately \$111 million and 2.6 percent respectively.

Bank balances at June 30, 2002 were \$126 million of which about 68 percent was not insured or protected by collateral.

INDEPENDENT AUDIT

The Auditors of Public Accounts, who report to the legislature and are independent of the executive branch of government, have audited the accompanying financial statements in accordance with generally accepted auditing standards and their opinion has been included in this report.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Connecticut for its Fiscal Year 2001 Comprehensive Annual Financial Report. The State of Connecticut has received a Certificate of Achievement for the past thirteen consecutive years. We believe that our current report continues to conform to the Certificate of Achievement requirements, and we are submitting it to GFOA.

ACKNOWLEDGEMENTS

I wish to express my personal thanks to the many individuals in various agencies and reporting units whose cooperation and assistance have made this report possible. In addition, I would like to thank the staff of my Budget and Financial Analysis Division for their diligent work on this report.

Sincerely,

Nancy Wyman
State Comptroller

[Introductory Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of
Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

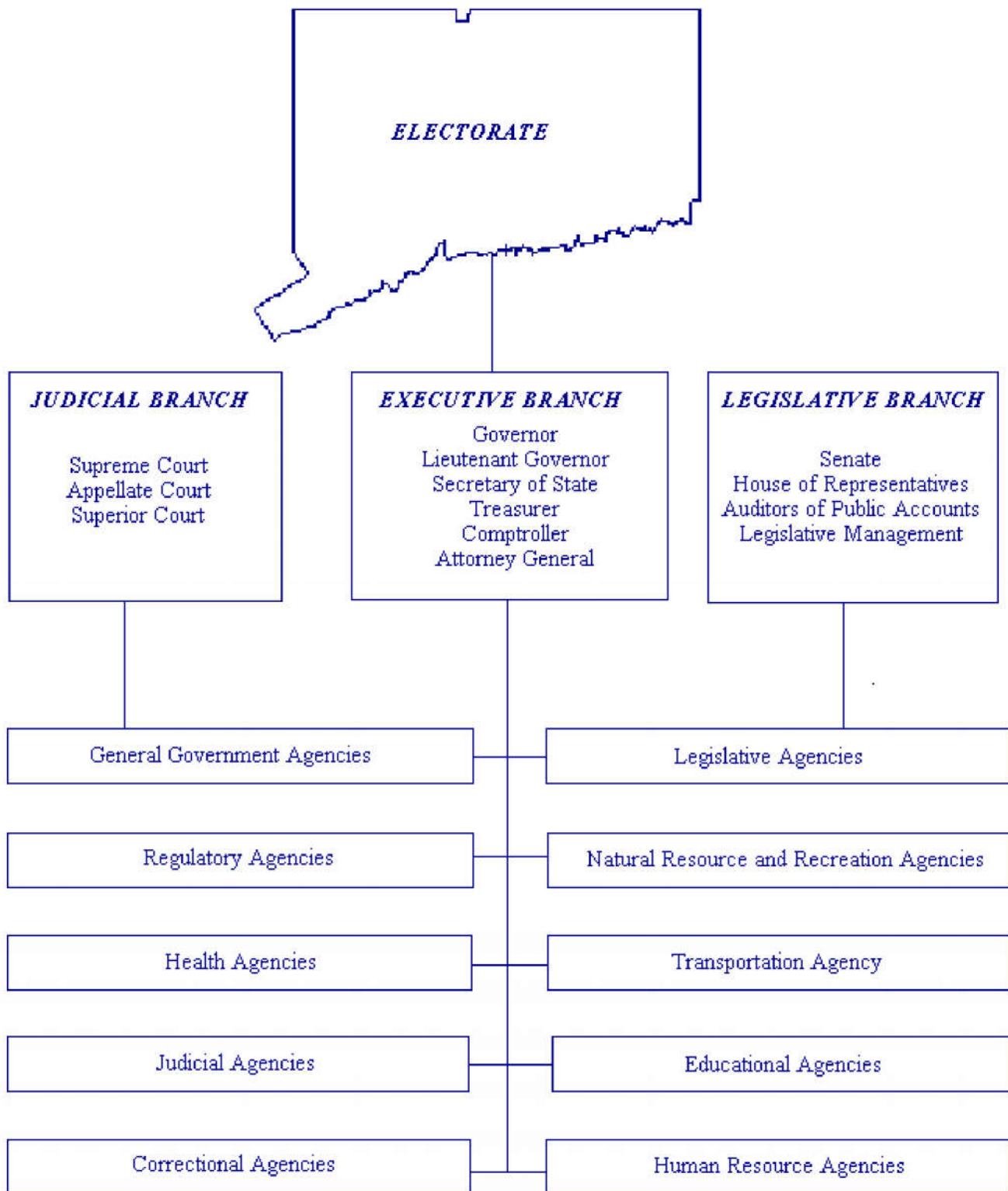


William Patrick Pate
President
Jeffrey L. Esser
Executive Director

[Introductory Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Organization Chart



State of Connecticut

Selected State Officials (as of June 30, 2002)

EXECUTIVE

John G. Rowland
Governor

M. Jodi Rell
Lieutenant Governor

Susan Bysiewicz
Secretary of State

Denise L. Nappier
Treasurer

Nancy Wyman
Comptroller

Richard Blumenthal
Attorney General

JUDICIAL

William M. Sullivan
Chief Justice

LEGISLATIVE

Kevin B. Sullivan
President Pro Tempore of the State Senate
(36 Senators)

Moir K. Lyons
Speaker of the House of Representatives
(151 Representatives)

[Introductory Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

KEVIN P. JOHNSTON

210 CAPITOL AVENUE
HARTFORD, CONNECTICUT 06106-1559

ROBERT G. JAEKLE

INDEPENDENT AUDITORS' REPORT

Governor John G. Rowland
Members of the General Assembly

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the State of Connecticut as of and for the year ended June 30, 2002, which collectively comprise the State's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State of Connecticut's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit:

Government-wide Financial Statements

- the financial statements of the Special Transportation Fund account within the Transportation Fund and the Transportation Special Tax Obligations account within the Debt Service Fund, which in the aggregate, represent seven percent of the assets and seven percent of the revenues of the Governmental Activities;
- the financial statements of the John Dempsey Hospital, University of Connecticut Foundation, Connecticut State University, and Connecticut Community Colleges accounts within the Higher Education Fund; Bradley International Airport; Connecticut Lottery Corporation; Clean Water Fund and Drinking Water Fund, which in the aggregate, represent 57 percent of the assets and 52 percent of the revenues of the Business Type Activities;
- the financial statements of the discretely presented component units;

Fund Financial Statements

- the financial statements of the Special Transportation Fund account, which represents 99 percent of the assets and 98 percent of the revenues of the Transportation Fund;
- the financial statements of the Transportation Special Tax Obligations account, which represents 88 percent of the assets and 91 percent of the revenues of the Debt Service Fund;
- the financial statements of the John Dempsey Hospital, University of Connecticut Foundation, Connecticut State University, and Connecticut Community Colleges accounts within the Higher Education Fund; Bradley International Airport; Connecticut Lottery Corporation; Clean Water Fund and Drinking Water Fund, which in the aggregate, represent 57 percent of the assets and 52 percent of the revenues of the Enterprise Funds;

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aforementioned funds and accounts, is based on the reports of the other auditors. All of the aforementioned audits were conducted in accordance with auditing standards generally accepted in the United States of America. In addition, the audits of the Drinking Water Fund, Clean Water Fund, Bradley International Airport, Connecticut Lottery Corporation, Connecticut Resources

Recovery Authority, Connecticut Health and Educational Facilities Authority, Connecticut Higher Education Supplemental Loan Authority, Connecticut Housing Finance Authority, Connecticut Development Authority, and Connecticut Innovations Incorporated, were conducted in accordance with standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, except that the audits of certain entities of the State, as described above, were not conducted in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based upon our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for the State of Connecticut as of June 30, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2003, on our consideration of the State of Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

As discussed in Note 19 to the financial statements, the State of Connecticut implemented the following Governmental Accounting Standards statements for the 2001-2002 fiscal year: Statement Number 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; Statement Number 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*; Statement Number 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*; and Statement Number 38, *Certain Financial Statement Note Disclosures*. As required by these new standards, the State of Connecticut presents both government-wide financial statements and fund - level financial statements.

As discussed in Note 21 to the financial statements, the State of Connecticut is a defendant in certain legal proceedings. The ultimate outcome of the litigation cannot presently be determined. Accordingly, no provision for any liability that may result upon adjudication has been made in the accompanying financial statements.

The management's discussion and analysis information on pages 17 through 28 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to auditing

procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Kevin P. Johnston
Auditor of Public Accounts

Robert G. Jaekle
Auditor of Public Accounts

February 28, 2003
State Capitol
Hartford, Connecticut

[Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

MANAGEMENT'S DISCUSSION AND ANALYSIS (MDA)

The following discussion and analysis is supplementary information required by the Governmental Accounting Standards Board (GASB), and is intended to provide an easily readable explanation of the information provided in the attached basic financial statements. It is by necessity highly summarized, and in order to gain a thorough understanding of the state's financial position, the financial statements and footnotes should be viewed in their entirety. New standards issued by GASB have significantly changed the format of the basic financial statements. Due to these changes, few comparisons have been made between the current and prior year. In subsequent years, the MDA will focus on year-to-year comparisons.

FINANCIAL HIGHLIGHTS

Government-wide:

Assets of the state's governmental activities were \$4.6 billion less than liabilities, a deterioration in financial position of \$1.9 billion related to current year operations. Assets of the state's business type activities exceeded liabilities by \$3.8 billion, an increase of \$0.2 billion related to current year operations. In total, net assets went from \$0.9 billion to a negative \$0.8 billion, a decrease in total net assets of \$1.7 billion.

As noted above, the liabilities of the state exceeded its assets by \$4.6 billion as of June 30, 2002. Of this amount, the unrestricted net asset portion was a negative \$8.2 billion. One of the primary reasons is the state's reliance on issuing bonds for operating purposes. Non-capital asset related bonded debt stood at \$4.9 billion at the end of the fiscal year, with local school construction alone representing \$1.3 billion in outstanding debt. Additionally, long-term obligations such as net pension, compensated absences and worker's compensation obligations of \$3.7 billion, with no offsetting assets, further contributed to the state's negative financial position.

Fund Level:

Governmental fund assets exceeded liabilities resulting in a fund balance of \$1.5 billion, of which \$1.7 billion was reserved leaving a negative unreserved balance of \$0.2 billion. The unreserved undesignated fund balance of the General Fund was also negative at \$0.9 billion at June 30, 2002.

Enterprise Fund assets exceeded liabilities resulting in total net assets of \$3.8 billion, of which \$3.7 billion was restricted or invested in capital assets, and the balance of \$0.1 billion was unrestricted.

Debt Issued and Outstanding:

Long-term bonded debt of governmental activities totaled \$11.7 billion (see Note 15). Other long-term liabilities totaled \$3.8 billion.

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

There are three major parts to the basic financial statements: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE STATEMENTS (Reporting the State as a Whole)

Governments have traditionally focused their reporting on groupings of funds rather than on the government taken as a whole. The new financial reporting model, upon which this report is based, retains this traditional focus on funds and adds an additional focus on the overall government's financial position and operations.

The Statement of Net Assets and the Statement of Activities are two financial statements that report information about the state as a whole and its activities. These statements help to demonstrate how the state's financial

position as a whole changed due to the year's operating activities. These statements include all non-fiduciary assets and liabilities using the accrual basis of accounting.

The Statement of Net Assets presents all of the state's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets measure whether the state's financial position is improving or not.

The Statement of Activities presents information showing how the state's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occur, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in these statements for some items that will result in future fiscal year cash flows (e.g., earned but unused vacation time).

Both statements report three activities:

- *Governmental Activities* - Most of the state's basic services are reported under this category. Taxes and intergovernmental revenues generally fund these services. The legislature, the judiciary, and the general operations of the executive departments fall within the governmental activities.
- *Business-type Activities* - These activities are primarily funded by charges to external parties for the cost of goods and services provided. These activities are generally reported in Enterprise Funds in the fund level statements. The operations of Bradley International Airport, the Connecticut Lottery Corporation and Employment Security, are examples of business-type activities.
- *Discretely Presented Component Units* - Component units are legally separate organizations for which the state is financially accountable. More information on discretely presented component units can be found in Note 1 on page 61.

Financial reporting for governmental activities traditionally has focused on changes in current spendable resources rather than on changes in total resources. This traditional focus has been retained for purposes of fund reporting. However, as governmental activities are included with other activities in the new government-wide financial statement format, the focus for these activities shifts to changes in total resources. In other words, all activities reported in government-wide financial statements are reported in a manner similar to private-sector accounting. To increase the readers understanding, a summary reconciliation of the difference between the governmental fund financial statements and the government-wide financial statements is provided as part of the basic financial statements.

FUND LEVEL STATEMENTS

Fund financial statements focus on individual parts of the state's operations in more detail than the government-wide statements. Funds are accounting devices that governments use to keep track of specific sources of funding and spending for particular purposes. The state of Connecticut is required to report four categories of fund statements - governmental, proprietary, and fiduciary funds, to the extent that state activities meet the criteria for using these funds, and "combining statements" for its component units.

As a practical matter, governments have traditionally been combining similar individual funds into groupings or "fund types" (i.e., general fund, special revenue funds, debt service funds, capital projects funds, enterprise funds, internal service funds and trust & agency funds). In the past, it was these fund types, rather than individual funds, that have been the focus of the combined financial statements presented in financial reports. Under the new financial reporting model, as presented here, however, governments focus on major individual funds rather than on fund types (with aggregated information presented for the total of all non-major funds).

Major Governmental Fund Financial Statements:

Governmental fund reporting focuses primarily on the sources uses and balances of current financial resources and often has a budgetary orientation. The state's major government funds include the General Fund, the Transportation Fund and the Debt Service Fund.

General Fund. The General Fund functions as the chief operating fund for the state government. All of the state's activities are reported in the General Fund unless there is a compelling reason to report them elsewhere.

Transportation Fund. The Transportation Fund is a special revenue fund that accounts for motor vehicle taxes, receipts and transportation related federal revenues collected for the purpose of payment of debt service requirements and for making appropriations budgeted for the Department of Transportation and the Department of Motor Vehicles and related expenses. The Department of Transportation is responsible for all aspects of the planning, development, maintenance and improvement of the state transportation system.

Debt Service Fund. The Debt Service Fund is a governmental fund, which accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Changes in budgetary reporting. Traditionally, governments have included a budget-to-actual comparison as one of their basic financial statements. The final amended budget has provided the budgetary amounts used for this presentation. The new financial reporting model brings three important changes to traditional practice.

- Budgetary comparisons will henceforth need to present the original budget in addition to the final amended budget.
- In the past budgetary comparisons were presented by fund type (e.g., total budgeted special revenue funds). The new financial reporting model will require a budgetary comparison for the General Fund and individual major special-revenue funds.
- Governments are permitted to present the budgetary comparison as a basic financial statement if they wish to do so, thereby retaining it within the scope of the independent audit. The state of Connecticut has elected to do so even though it is only required to present non-audited budgetary comparison statements as "required supplementary information".

Major Proprietary Fund Financial Statements:

Proprietary funds (enterprise and internal service) are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting where all assets and liabilities are reported on the balance sheet. Revenues are recorded when earned and expenses are recorded when incurred. Some of the important changes that relate to the new reporting standard include the following:

- The new reporting model requires that proprietary fund reporting distinguish current assets and liabilities from non-current assets and liabilities.
- Traditionally, the equity of proprietary funds was divided between "contributed capital" and "retained earnings." Under the new financial reporting model, such a distinction is no longer made. Three new classifications are used under the new financial reporting model to classify equity for proprietary funds and for the government-wide financial statements. These three classifications are 1) "invested in capital assets net of related debt," 2) "restricted" (distinguishing between major categories of restrictions) and 3) "unrestricted."

Enterprise funds report activities that provide goods or services to the general public. An example is the Connecticut Lottery. Internal service funds report activities that provide supplies and services to the state's other programs and activities. An example is the state's motor fleet operations. Internal service funds are reported as governmental activities on the government-wide statements

Fiduciary Fund Financial Statements:

The fiduciary fund category includes pension (and other employee benefit) trust funds, investment-trust fund, private-purpose-trust fund and agency funds. These fund types should be used to report resources held and administered by the state when it is acting in a fiduciary capacity for individuals, private organizations or other governments. Some of the important changes to traditional reporting include the following:

Limitation on the use of fiduciary funds. The use of fiduciary funds will henceforth be limited to accounting for resources that are not available to support a government's operations and programs. This limitation resulted in the non-fiduciary reclassification of numerous expendable and non-expendable trust funds reported in the traditional financial reporting model, which is no longer used.

Changes in fiduciary funds. The distinction between expendable and non-expendable trust funds has been eliminated. Instead, some expendable trust funds have been reclassified and are now reported as special revenue funds while others have been replaced by the "private-purpose" trust fund. This newly created fund type is used to report all trust arrangements under which principal and income are to be used to benefit individuals, private organizations or other governments. Non-expendable or endowment-like arrangements available to support the operations or programs of the government (e.g., cemetery perpetual care funds) are accounted for in a governmental fund type, newly created by GASB statement 34, called "permanent funds."

Component Unit Combining Statements:

The same GASB 34 reporting rules regarding the determination of major funds are applied to the states component units. The Component units of the State of Connecticut are:

Connecticut Housing Finance Authority. Classified as the State's major component unit, the CHFA is a public instrumentality and political subdivision created for the purpose of increasing the housing supply and encouraging and assisting in the purchase, development and construction of housing for low and moderate income families.

Connecticut Development Authority. CDA's purpose is to stimulate commercial development.

Connecticut Resources Recovery Authority. CRRA's purpose is solid waste management.

Connecticut Higher Education Supplemental Loan Authority. CHESLA's purpose is to provide resources for student loans.

Connecticut Health and Educational Facilities Authority. CHEFA's purpose is to provide resources for financing major projects for health and educational institutions.

Connecticut Innovations, Incorporated. CI's purpose is to stimulate application of new technology.

Capital City Economic Development Authority. CCEDA's purpose is to stimulate economic development in the city of Hartford.

FINANCIAL SECTION CONTENTS OTHER THAN FINANCIAL STATEMENTS

Notes To The Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements.

Required supplementary information. The RSI provides additional information regarding the States progress on funding its obligation to provide pension benefits to its employees.

Combining Financial Statements. Combining statements for non-major funds are not required to be presented or audited under generally accepted accounting principals. Nevertheless, Connecticut presents these statements as supplementary information, in the optional part of this report.

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

NET ASSETS

The following table was derived from the government-wide [Statement of Net Assets](#). The state's combined net assets declined \$1.7 billion over the course of Fiscal Year 2002 operations. The net assets of governmental

activities decreased \$1.9 billion, while net assets from business-type activities increased \$0.2 billion.

State Of Connecticut's Net Assets (in Millions)

	Governmental Activities 2002	Business-type Activities 2002	Total Primary Government 2002
Current and Other Non-			
current Assets	\$ 3,369.3	\$ 3,931.0	\$ 7,300.3
Capital Assets	9,125.8	2,306.1	11,431.9
Total Assets	12,495.1	6,237.1	18,732.2
Current Liabilities	2,535.4	488.4	3,023.8
Long-term Liabilities	14,576.6	1,948.7	16,525.3
Total Liabilities	17,112.0	2,437.1	19,549.1
Net Assets:			
Invested in Capital Assets,			
Net of Related Debt	2,348.4	1,847.5	4,195.9
Restricted	1,231.4	1,846.1	3,077.5
Unrestricted	(8,196.7)	106.4	(8,090.3)
Total Net Assets	\$ (4,616.9)	\$ 3,800.0	\$ (816.9)

The following condensed financial information was derived from the government-wide [Statement of Activities](#) and reflects the nature of the state's change in net assets throughout Fiscal Year 2002.

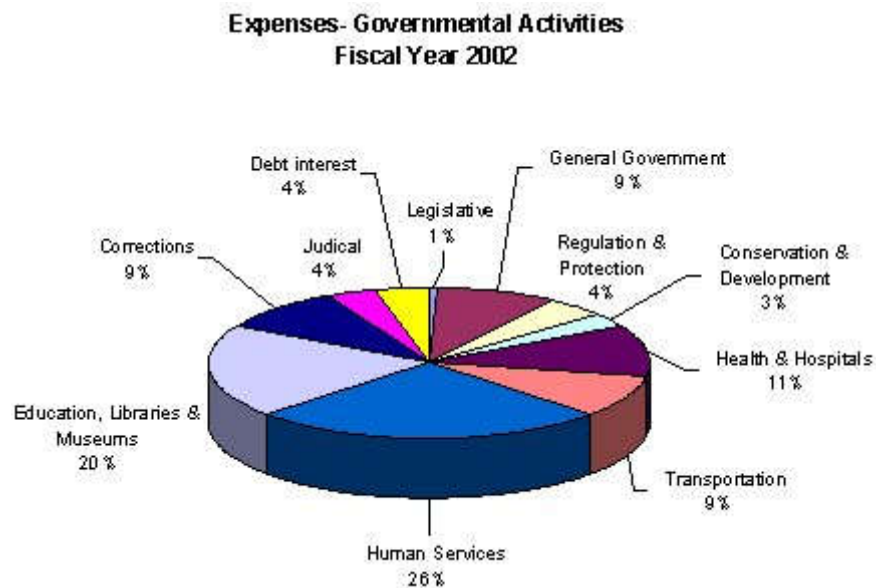
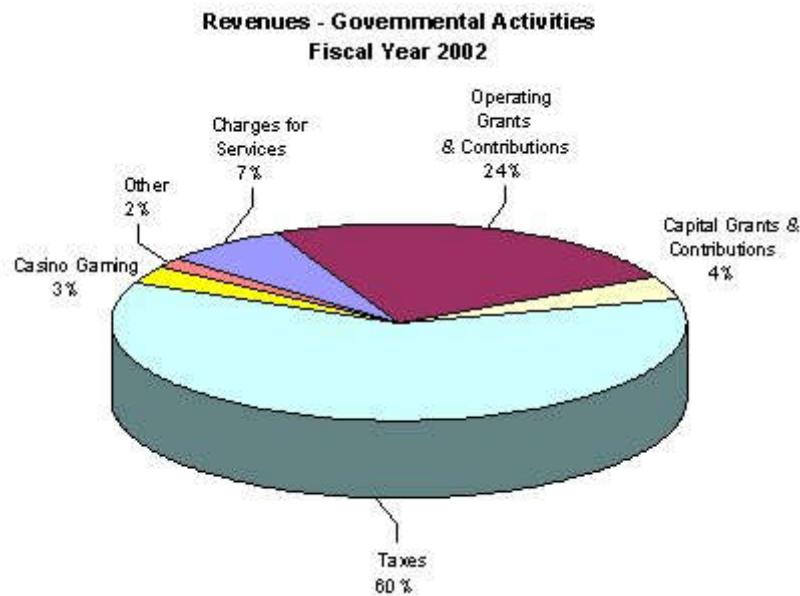
State of Connecticut's Changes in Net Assets (Expressed in Millions)

	Governmental Activities 2002	Business-Type Activities 2002	Total 2002
Revenues			
Program Revenues			
Charges for Services	\$ 942.9	\$ 2,409.7	\$ 3,352.6
Operating Grants and Contributions	3,320.1	447.7	3,767.8
Capital Grants and Contributions	509.1	37.8	546.9
General Revenues			-
Taxes	8,292.6	-	8,292.6
Casino Gaming Payments	369.0	-	369.0
Other	224.6	89.4	314.0
Total Revenues	13,658.3	2,984.6	16,642.9
Expenses			
Legislative	80.2	-	80.2
General Government	1,340.0	-	1,340.0
Regulation and Protection	627.4	-	627.4
Conservation and Development	434.4	-	434.4
Health and Hospitals	1,664.1	-	1,664.1
Transportation	1,366.1	-	1,366.1
Human Services	3,882.7	-	3,882.7
Education, Libraries and Museums	3,000.3	-	3,000.3
Corrections	1,355.1	-	1,355.1
Judicial	538.4	-	538.4
Interest and Fiscal Charges	592.5	-	592.5
Higher Education	-	1,869.9	1,869.9
Bradley International Airport	-	50.4	50.4

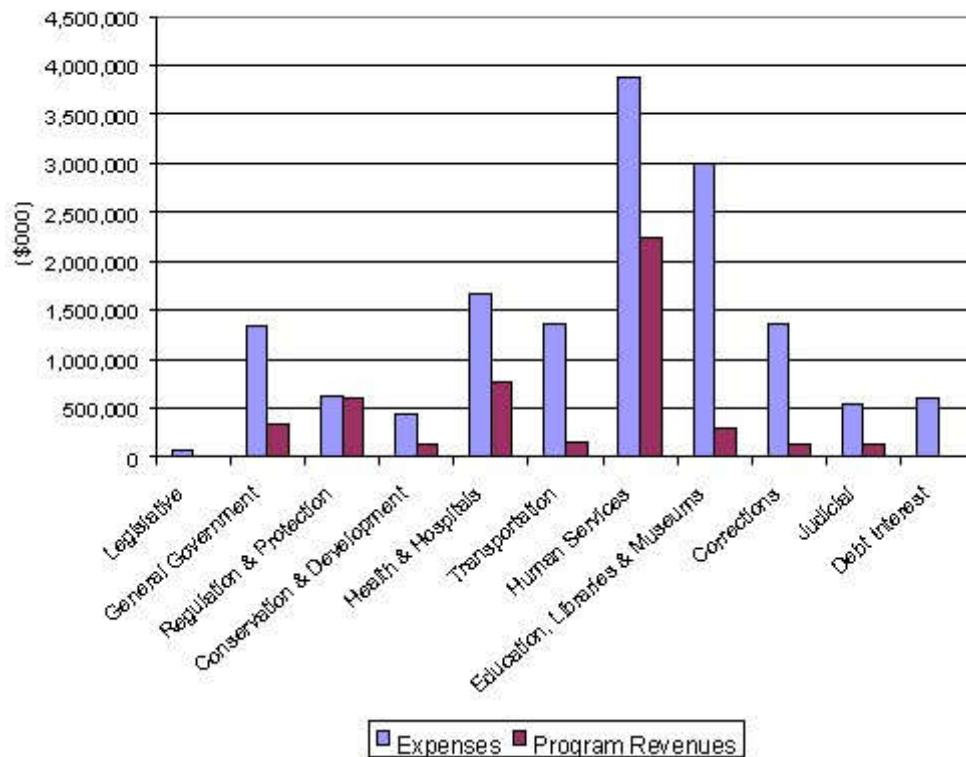
CT Lottery Corporation	-	672.1	672.1
Employment Security	-	736.3	736.3
Second Injury & Compensation Assurance	-	61.2	61.2
Clean Water	-	30.9	30.9
Other	-	19.2	19.2
Total Expenses	14,881.2	3,440.0	18,321.2
Excess(Deficiency) Before Transfers and Special Items	(1,222.9)	(455.4)	(1,678.3)
Transfers	(657.0)	657.0	-
Special Items	-	(4.5)	(4.5)
Increase(Decrease) in Net Assets	(1,879.9)	197.1	(1,682.8)
Net Assets(Deficit) - Beginning	(2,737.0)	3,602.9	865.9
Net Assets(Deficit) - Ending	\$ (4,616.9)	\$ 3,800.0	\$ (816.9)

GOVERNMENTAL ACTIVITIES

The following charts depict the distribution of revenues and expenses for Fiscal Year 2002.



Expenses and Program Revenues - Governmental Activities Fiscal Year 2002



Within governmental activities, Fiscal Year 2002 program and general revenue receipts were \$1.9 billion less than expenses. During Fiscal Year 2002, budget projections indicated that this gap between revenues and expenses would widen in future fiscal years. In an effort to improve the state's future operating results, revenue enhancements were enacted and appropriations reduced during the course of the 2002 legislative session. Specific appropriation reductions and revenue enhancements impacting Fiscal Year 2003 have been implemented and additional measures are under consideration at this writing.

Business-type activities saw an increase of \$0.2 billion or 5.5 percent through Fiscal Year 2002 operations. Higher-Education expenses accounted for 54.3 percent of business-type expenses and 37.5 percent of program revenues. Program revenues exceeded expenses in the Connecticut Lottery Corporation by \$0.2 billion.

FINANCIAL ANALYSIS OF THE STATE'S FUNDS

The state completed Fiscal Year 2002 with a balance of \$1.5 billion in its governmental funds. There is a small shortfall or negative balance of \$0.1 billion in the unreserved portion of this fund balance. Fiscal Year 2002 operations reduced the balance in governmental funds by \$1.1 billion from the prior year.

General Fund

The General Fund is the chief operating fund of the state. At the end of Fiscal Year 2002, the General Fund had a negative unreserved fund balance of \$0.9 billion. Fiscal Year 2002 operations reduced the total fund balance in the General Fund by \$1.3 billion. Lower tax receipts associated with a national economic recession were the primary cause of the deterioration in fund balance. On a budgetary accounting basis, actual revenues fell \$1.1 billion short of the original budget plan estimates.

By the end of the first quarter of Fiscal Year 2002, budget forecasts were showing a large deficit building for the year. In response, deficit mitigation legislation was enacted. These mitigation plans resulted in net appropriation reductions after transfers of \$0.3 billion. An increase in the state's cigarette tax was also enacted. The deficit

mitigation initiatives implemented during the course of Fiscal Year 2002 were not sufficient to keep pace with declining revenues and the General Fund ended the year with a large operating deficit. This deficit was partially offset by a \$0.6 billion balance in the state's Budget Reserve Fund. The remaining budgetary base General Fund operating deficit for Fiscal Year 2002 of \$0.2 billion was financed through the issuance of economic recovery notes.

Transportation Fund

The Transportation Fund ended Fiscal Year 2002 with an unreserved fund balance of \$0.2 billion. The change in fund balance through Fiscal Year 2002 operations was negligible.

The variance in Fiscal Year 2002 actual revenues from the original budget plan was less than fifty million dollars in this Fund.

Other Funds

The other funds category includes the state's special revenue funds. These funds had a total unreserved balance of \$0.6 billion on June 30, 2002. The total fund balance as of that date was \$1.0 billion.

In Fiscal Year 2002, expenditures exceeded revenues by \$1.4 billion in the other funds category. Bonds issued in the amount of \$1.6 billion provided an offset to this deficit. The state has a long history of utilizing bond proceeds to offset operating deficits within these funds.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets.

The State of Connecticut's investment in capital assets for its governmental and business-type activities as of June 30, 2002 amounts to \$11.4 billion (net of accumulated depreciation). The increase in capital assets for governmental activities was 2.1% while the increase for business-type activities was 12.1%. Depreciation charges for the fiscal year totaled \$0.9 billion.

State of Connecticut's Capital Assets (Net of Depreciation, in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2002	2001	2002	2001	2002	2001
Land	\$ 863.6	\$ 819.9	\$ 46.1	\$ 44.0	\$ 909.7	\$ 863.9
Buildings	701.4	522.9	1,311.6	1,195.5	2,013.0	1,718.4
Improvements Other than Buildings	45.4	127.7	198.8	182.9	244.2	310.6
Equipment	547.4	559.4	365.4	352.8	912.8	912.2
Infrastructure	5,719.7	5,794.6	-	-	5,719.7	5,794.6
Construction in Progress	1,248.3	1,116.7	384.2	282.3	1,632.5	1,399.0
Total	\$ 9,125.8	\$ 8,941.2	\$ 2,306.1	\$ 2,057.5	\$ 11,431.9	\$ 10,998.7

Additional information on the State of Connecticut's capital assets can be found in Note 9 on page 70 of this report.

Long-term Debt.

The state, pursuant to various public and special acts, has authorized a variety of types of debt which fall into the following categories: direct general obligation debt, which is payable from the state's general fund; special tax obligation debt, which is payable from specified taxes and other funds; and special obligation and revenue debt, which is payable from specified revenues and other funds.

State of Connecticut's Outstanding Debt General Obligation and Revenue Bonds (in Millions)

	Governmental Activities		Business-type Activities		Total	
	2002	2001	2002	2001	2002	2001
General Obligation Bonds	\$ 8,527.4	\$ 7,812.1	\$ -	\$ -	\$ 8,527.4	\$ 7,812.1
Transportation Related Bonds	3,174.9	3,100.1	-	-	3,174.9	3,100.1
Revenue Bonds	-	-	1,504.8	1,464.1	1,504.8	1,464.1
Total	\$ 11,702.3	\$ 10,912.2	\$ 1,504.8	\$ 1,464.1	\$ 13,207.1	\$ 12,376.3

The state issued approximately \$2.9 billion of bonds in fiscal year 2002 including \$1.2 billion in refunding bonds with a net increase of 7.2% in outstanding debt for governmental activities and 2.8% for business-type activities. The state's general obligation bonds are rated Aa2, AA and AA by Moody's, Standard and Poor's and Fitch IBCA, respectively, while transportation-related special tax obligation bonds are currently rated Aa3, AA- and AA-, respectively.

Section 3-21 of the Connecticut General Statutes provides that the total amount of bonds, notes or other evidences of indebtedness payable from general fund tax receipts authorized by the General Assembly but have not been issued and the total amount of such indebtedness which has been issued and remains outstanding shall not exceed 1.6 times the total estimated general fund tax receipts of the state for the current fiscal year. In computing the indebtedness at any time, revenue anticipation notes, refunded indebtedness, bond anticipation notes, tax increment financing, budget deficit bonding, revenue bonding, balances in debt retirement funds and other indebtedness pursuant to certain provisions of the General Statutes shall be excluded from the calculation.

Additional information on the State of Connecticut's long-term debt can be found in Notes 15 and 16 on pages 73-77 of this report.

CONDITIONS EXPECTED TO AFFECT FUTURE OPERATIONS

By the second quarter of Fiscal Year 2002, it became clear that the state was facing a structural imbalance between projected revenues and estimates of spending requirements. The General Fund deficit for Fiscal Year 2003 was estimated to be \$0.6 billion on a budgetary (non-GAAP) accounting basis. The deficit for Fiscal Year 2004 was projected at \$2 billion.

In February 2003, the legislature passed a deficit reduction plan that reduces appropriations by approximately \$0.2 billion and is expected to produce over \$0.4 billion in additional General Fund revenue in Fiscal Year 2003 almost entirely eliminating the deficit. Many of the spending reductions and revenue enhancements will continue into future fiscal years and significantly alleviate the structural budget imbalances. The legislature and governor are continuing their work to ensure that budgets are balanced in future fiscal years.

To date, 2,800 state employees have been terminated in an attempt to mitigate the budget deficit. If these employees are not recalled, future state services and operations will be impacted. The specific operational consequences of the reduction in the state's workforce is not known at this time.

CONTACTING THE STATE'S OFFICES OF FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the state's finances and to demonstrate the state's accountability for the money it receives. If you have any questions about this report, please contact the State Comptroller's Office at 1-860-702-3350.

[Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Statement of Net Assets

June 30, 2002

(Expressed in Thousands)

	Primary Government Governmental Activities	Business-Type Activities	Total	Component Units
Assets				
Current Assets:				
Cash and Cash Equivalents	\$405,057	\$486,600	\$891,657	\$536,609
Deposits with U.S. Treasury	-	675,562	675,562	-
Investments	181,405	250,670	432,075	120,078
Receivables, (Net of Allowances)	1,841,932	450,954	2,292,886	165,888
Due From Component Units	-	99,611	99,611	-
Due From Primary Government	-	-	-	20,346
Inventories	61,130	10,814	71,944	3,543
Restricted Assets	-	9,420	9,420	451,057
Internal Balances	(145,078)	145,078	-	-
Other Current Assets	13,821	8,910	22,731	12,353
Total Current Assets	2,358,267	2,137,619	4,495,886	1,309,874
Noncurrent Assets:				
Cash and Cash Equivalents	-	63,073	63,073	-
Restricted Assets	590,374	695,704	1,286,078	425,372
Investments	-	448,063	448,063	234,383
Loans, (Net of Allowances)	406,272	505,043	911,315	3,068,708
Capital Assets, (Net of Accumulated Depreciation)	9,125,804	2,306,065	11,431,869	252,286
Other Noncurrent Assets	14,388	81,532	95,920	59,925
Total Noncurrent Assets	10,136,838	4,099,480	14,236,318	4,040,674
Total Assets	12,495,105	6,237,099	18,732,204	5,350,548
Liabilities				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	710,270	194,520	904,790	52,986
Due To Component Units	20,346	-	20,346	-
Due To Primary Government	-	-	-	99,611
Escrow Deposits	-	-	-	26,347
Current Portion of Long-Term Obligations	976,958	168,936	1,145,894	118,451
Amount Held for Institutions	-	-	-	279,817
Deferred Revenue	39,159	59,335	98,494	680
Medicaid Liability	577,150	-	577,150	-
Liability for Escheated Property	51,178	-	51,178	-
Other Current Liabilities	160,333	65,563	225,896	18,271
Total Current Liabilities	2,535,394	488,354	3,023,748	596,163
Noncurrent Liabilities:				
Non-Current Portion of Long-Term Obligations	14,576,670	1,948,712	16,525,382	3,667,265
Total Noncurrent Liabilities	14,576,670	1,948,712	16,525,382	3,667,265
Total Liabilities	17,112,064	2,437,066	19,549,130	4,263,428
Net Assets				
Invested in Capital Assets, Net of Related Debt	2,348,364	1,847,526	4,195,890	44,126
Restricted For:				
Transportation	169,228	-	169,228	-
Debt Service	553,530	103,933	657,463	20,229
Capital Projects	-	144,982	144,982	-

Statement of Net Assets

June 30, 2002

(Expressed in Thousands)

	Primary Government			
	Governmental	Business-Type		Component
	Activities	Activities	Total	Units
Assets				
Unemployment Compensation	-	798,703	798,703	-
Clean Water Projects	-	402,281	402,281	-
Bond Indenture Requirements	-	22,425	22,425	609,058
Other Purposes	419,135	196,465	615,600	27,817
Funds Held as Permanent Investments:				
Expendable	5,924	-	5,924	-
Nonexpendable	83,598	177,343	260,941	-
Unrestricted (Deficit)	(8,196,738)	106,375	(8,090,363)	385,890
Total Net Assets (Deficit)	\$(4,616,959)	\$3,800,033	\$(816,926)	\$1,087,120

The accompanying notes are an integral part of the financial statements.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Statement of Activities

For the Fiscal Year Ended June 30, 2002

(Expressed in Thousands)

Functions /Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total	Component Units
		Charges for Service, Fees, Fines, and Others	Operating Grants and Contrib- utions	Capital Grants and Contrib- utions	Governmental Activities	Business- Type Activities		
Primary Government								
Governmental Activities								
Legislative	\$80,212	\$170	\$-	\$-	\$(80,042)	\$-	\$(80,042)	\$-
General Government	1,339,982	174,172	164,532	-	(1,001,278)	-	(1,001,278)	-
Regulation and Protection	627,352	465,005	137,394	-	(24,953)	-	(24,953)	-
Conservation and Development	434,356	43,186	81,260	-	(309,910)	-	(309,910)	-
Health and Hospitals	1,664,152	40,333	218,045	-	(1,405,774)	-	(1,405,774)	-
Transportation	1,366,108	48,835	101,924	509,112	(706,237)	-	(706,237)	-
Human Services	3,882,711	42,624	2,202,406	-	(1,637,681)	-	(1,637,681)	-
Education, Libraries and Museums	3,000,315	9,165	282,534	-	(2,708,616)	-	(2,708,616)	-
Corrections	1,355,142	11,193	116,898	-	(1,227,051)	-	(1,227,051)	-
Judicial	538,368	108,188	15,106	-	(415,074)	-	(415,074)	-
Interest and Fiscal Charges	592,490	-	-	-	(592,490)	-	(592,490)	-
Total Governmental Activities	14,881,188	942,871	3,320,099	509,112	(10,109,106)	-	(10,109,106)	-
Business-Type Activities:								
Higher Education	1,869,875	812,295	248,330	25,674	-	(783,576)	(783,576)	-
Bradley International Airport	50,455	44,629	-	12,163	-	6,337	6,337	-
CT Lottery Corporation	672,118	908,204	-	-	-	236,086	236,086	-
Employment Security	736,261	505,012	180,074	-	-	(51,175)	(51,175)	-
Second Injury & Compensation Assurance	61,235	110,563	-	-	-	49,328	49,328	-
Clean Water	30,903	11,610	12,656	-	-	(6,637)	(6,637)	-
Other	19,186	17,335	6,646	-	-	4,795	4,795	-
Total Business-Type Activities	3,440,033	2,409,648	447,706	37,837	-	(544,842)	(544,842)	-
Total Primary Government	\$18,321,221	\$3,352,519	\$3,767,805	\$546,949	(10,109,106)	(544,842)	(10,653,948)	-
Component Units:								
Connecticut Development Authority	28,320	26,304	-	-	-	-	-	(2,016)
Connecticut Housing Finance Authority (12-31-01)	214,425	212,755	575	-	-	-	-	(1,095)
Connecticut Resource Recovery Authority	173,034	157,513	-	-	-	-	-	(15,521)
Others	29,708	15,323	23,218	-	-	-	-	8,833
Total Component Units	\$445,487	\$411,895	\$23,793	\$-	-	-	-	(9,799)

	Net (Expense) Revenue and Changes in Net Assets			Component Units
	Governmental Activities	Business-Type Activities	Total	
General Revenues:				
Taxes:				
Personal Income	3,680,434	-	3,680,434	-
Corporate Income	197,245	-	197,245	-
Sales and Use	2,933,268	-	2,933,268	-
Others	948,369	-	948,369	-
Restricted for Transportation Purposes:				
Motor Fuel	424,037	-	424,037	-
Others	109,272	-	109,272	-
Casino Gaming Payments	368,954	-	368,954	-
Tobacco Settlement	139,968	-	139,968	-
Unrestricted Investment Earnings	84,684	89,388	174,072	(3,306)
Transfers-Internal Activities	(657,037)	657,037	-	-
Special Items:				
Loss on Disposal of Capital Assets	-	(4,499)	(4,499)	-
Others	-	-	-	(2,560)
Total General Revenues, Transfers, and Special Items	8,229,194	741,926	8,971,120	(5,866)
Change in Net Assets	(1,879,912)	197,084	(1,682,828)	(15,665)
Net Assets (Deficit) - Beginning (as restated)	(2,737,047)	3,602,949	865,902	1,102,785
Net Assets (Deficit) - Ending	\$(4,616,959)	\$3,800,033	\$(816,926)	\$1,087,120

The accompanying notes are an integral part of the financial statements.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Governmental Fund Financial Statements

Major Funds

General Fund:

This fund is the State's general operating fund. It accounts for the financial resources and transactions not accounted for in other funds.

Debt Service Fund:

This fund is used to account for the accumulation of resources for and the payment of, principal and interest on general long-term bonds.

Transportation Fund:

to account for motor vehicle taxes, receipts and transportation related federal revenues collected for the purposes of payment of debt service requirements and budgeted appropriations made to the Department of Transportation. The Department of Transportation is responsible for all aspects of the planning, development, maintenance, and improvement of transportation in the state.

Nonmajor Funds

Nonmajor governmental funds are presented, by fund type beginning on page 88.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Balance Sheet

Governmental Funds

June 30, 2002

(Expressed in Thousands)

	General	Debt Service	Transportation	Other Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents	\$-	\$80,396	\$166,602	\$145,818	\$392,816
Investments	40,813	-	-	140,592	181,405
Securities Lending Collateral	-	-	-	13,466	13,466
Receivables:					
Taxes, Net of Allowances	863,612	-	38,084	-	901,696
Accounts, Net of Allowances	178,076	-	4,211	26,916	209,203
Loans, Net of Allowances	909	-	-	405,363	406,272
From Other Governments	570,266	-	14,272	105,119	689,657
Interest	126	4,419	160	-	4,705
Other	6,315	-	6,555	4	12,874
Due From Other Funds	607,786	-	22,287	566,932	1,197,005
Advances To Other Funds	4,950	-	-	-	4,950
Inventories	41,869	-	14,859	-	56,728
Restricted Assets	-	590,374	-	-	590,374
Total Assets	\$2,314,722	\$675,189	\$267,030	\$1,404,210	\$4,661,151
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$327,546	\$-	\$27,912	\$177,903	533,361
Due To Other Funds	1,136,323	4,418	1,021	156,747	1,298,509
Due To Component Units	150	-	-	20,196	20,346
Due To Governments	68,380	-	-	-	68,380
Deferred Revenue	443,648	-	16,426	34,348	494,422
Medicaid Liability	577,150	-	-	-	577,150
Liability For Escheated Property	51,178	-	-	-	51,178
Securities Lending Obligation	-	-	-	13,466	13,466
Other Liabilities	145,273	-	-	1,520	146,793
Total Liabilities	2,749,648	4,418	45,359	404,180	3,203,605
Fund Balances					
Reserved For:					
Petty Cash	1,031	-	-	-	1,031
Inventories	41,869	-	14,859	-	56,728
Loans	5,859	-	-	405,363	411,222
Continuing Appropriations	167,854	-	28,192	849	196,895
Debt Service	9,270	670,771	-	-	680,041
Restricted Purposes	283,213	-	-	89,522	372,735
Unreserved Reported In:					
General Fund	(944,022)	-	-	-	(944,022)
Transportation Fund	-	-	178,620	-	178,620
Special Revenue Funds	-	-	-	595,158	595,158
Capital Project Funds	-	-	-	(90,862)	(90,862)
Total Fund Balances	(434,926)	670,771	221,671	1,000,030	1,457,546
Total Liabilities and Fund Balances	\$2,314,722	\$675,189	\$267,030	\$1,404,210	\$4,661,151

The accompanying notes are an integral part of the financial statements.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets

June 30, 2002

(Expressed in Thousands)

Total Fund Balance - Governmental Funds \$ 1,457,546

Net assets reported for governmental activities in the Statement of Net Assets
are different because:

Capital assets used in governmental activities are not financial resources
and therefore are not reported in the funds. These assets consist of:

Buildings	2,356,943	
Equipment	1,165,633	
Infrastructure	10,444,768	
Other Capital Assets	1,013,645	
Accumulated Depreciation	(5,919,622)	9,061,367

Debt issue costs are recorded as expenditures in the funds. However,
these costs are deferred (reported as other assets) and amortized over the
life of the bonds in the Statement of Net Assets.

14,351

Some of the state's revenues will be collected after year-end but are not
available soon enough to pay for the current period's expenditures
and therefore are deferred in the funds.

455,592

Internal service funds are used by management to charge the costs of
certain activities to individual funds. The assets and liabilities of the internal
service funds are included in governmental activities in the Statement of
Net Assets.

32,729

Long-term liabilities are not due and payable in the current period and therefore
are not reported in the funds ([Note 15](#)).

Net Pension Obligation	(3,117,349)	
Worker's Compensation	(245,183)	
Capital Leases	(76,896)	
Compensated Absences	(335,562)	
Claims and Judgments	(7,725)	(3,782,715)

Long-term bonded debt is not due and payable in the current period and
therefore is not reported in the funds. Unamortized premiums, loss on
refundings, and interest payable are not reported in the funds. However,
these amounts are included in the Statement of Net Assets. This is the net
effect of these balances on the statement ([Note 15](#)).

Bonds Payable	(11,702,339)	
Unamortized Premiums	(123,890)	
Less: Deferred Loss on Refundings	60,793	
Accrued Interest Payable	(90,393)	(11,855,829)

Net Assets of Governmental Activities \$ (4,616,959)

The accompanying notes are an integral part of the financial statements.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds

June 30, 2002

(Expressed in Thousands)

	General	Debt Service	Transportation	Other Funds	Total Governmental Funds
Revenues					
Taxes	\$7,721,885	\$-	\$533,703	\$22,752	\$8,278,340
Licenses, Permits and Fees	195,262	-	287,428	68,679	551,369
Tobacco Settlement	-	-	-	139,968	139,968
Intergovernmental	3,159,621	-	101,924	575,848	3,837,393
Charges for Services	25,193	-	33,422	2,432	61,047
Fines, Forfeits and Rents	45,228	-	24,165	1,646	71,039
Casino Gaming Payments	368,954	-	-	-	368,954
Investment Earnings	22,414	37,101	4,738	13,821	78,074
Miscellaneous	206,896	-	8,886	76,960	292,742
Total Revenues	11,745,453	37,101	994,266	902,106	13,678,926
Expenditures					
Current:					
Legislative	76,595	-	-	-	76,595
General Government	980,990	-	1,673	344,237	1,326,900
Regulation and Protection	335,400	-	74,491	197,183	607,074
Conservation and Development	187,731	-	-	240,523	428,254
Health and Hospitals	1,639,205	-	-	13,633	1,652,838
Transportation	38,219	-	533,917	4,721	576,857
Human Services	3,853,342	-	-	13,628	3,866,970
Education, Libraries, and Museums	2,566,700	-	-	415,159	2,981,859
Corrections	1,320,274	-	-	14,153	1,334,427
Judicial	521,006	-	-	11,768	532,774
Capital Projects	-	-	-	1,030,628	1,030,628
Debt Service:					
Principal Retirement	612,283	193,585	17,884	1,073	824,825
Interest and Fiscal Charges	422,436	158,582	5,018	13,759	599,795
Total Expenditures	12,554,181	352,167	632,983	2,300,465	15,839,796
Excess (Deficiency) of Revenues					
Over Expenditures	(808,728)	(315,066)	361,283	(1,398,359)	(2,160,870)
Other Financing Sources (Uses)					
Bonds Issued	-	-	-	1,621,001	1,621,001
Premiums On Bonds Issued	-	84,248	-	46,768	131,016
Transfers In	435,475	388,455	38,660	242,675	1,105,265
Transfers Out	(893,193)	(36,348)	(382,577)	(451,321)	(1,763,439)
Capital Lease Obligations	5,356	-	399	1,234	6,989
Refunding Bonds Issued	-	1,121,670	-	-	1,121,670
Payment to Refunded Bond Escrow Agent	-	(1,204,925)	-	-	(1,204,925)
Total Other Financing Sources (Uses)	(452,362)	353,100	(343,518)	1,460,357	1,017,577
Net Change in Fund Balances	(1,261,090)	38,034	17,765	61,998	(1,143,293)
Fund Balances - Beginning (as restated)	820,528	632,737	202,191	938,032	2,593,488
Changes in Reserves for Inventories	5,636	-	1,715	-	7,351

Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds

June 30, 2002
(Expressed in Thousands)

	General	Debt Service	Transportation	Other Funds	Total Governmental Funds
Fund Balances - Ending	\$(434,926)	\$670,771	\$221,671	\$1,000,030	\$1,457,546

The accompanying notes are an integral part of the financial statements.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

June 30, 2002

(Expressed in Thousands)

Net Change in Fund Balances - Total Governmental Funds \$ (1,143,293)

Amounts reported for governmental activities in the Statement of Activities

are different because:

Bond proceeds provide current financial resources to governmental funds. However, issuing debt increases long term liabilities in the Statement of Net Assets. Bond proceeds were received this year from:

Bonds Issued	(1,621,001)	
Refunding Bonds Issued	(1,121,670)	
Premium on Bonds Issued	(131,016)	(2,873,687)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the Statement of Net Assets. Long-term debt repayments this year consisted of:

Principal Retirement	824,825	
Payments to Refunded Bond Escrow Agent	1,204,925	
Capital Lease Payments	5,407	2,035,157

Capital outlays are reported as expenditures in the governmental funds. However in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, these amounts are:

Capital Outlays	907,266	
Depreciation Expense	(736,882)	170,384

Some capital assets acquired this year were financed with capital leases. The amount financed by leases is reported in the governmental funds as a source of financing, but lease obligations are reported as long-term liabilities on the Statement of Net Assets.

(6,989)

Inventories are reported as expenditures in the governmental funds when purchased. However, in the Statement of Activities the cost of these assets is recognized when those assets are consumed. This is the amount by which purchases exceeded consumption of inventories.

7,351

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Decrease in Accrued Interest	2,277	
Increase in Interest Accreted on Capital Appreciation Debt	(10,919)	
Amortization of Bond Premium	7,125	
Amortization of Loss on Debt Refundings	(5,529)	
Increase in Compensated Absences Liability	(26,975)	
Decrease in Workers Compensation Liability	81,234	
Decrease in Claims and Judgments Liability	5,385	
Increase in Net Pension Obligation	(105,902)	(53,304)

Because some revenues will not be collected for several months after the state's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues decreased by this amount this year.

(21,767)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of certain internal service funds is reported with the governmental activities.

(8,115)

Debt issue costs are recorded as expenditures in the governmental funds. However,

these costs are amortized over the life of the bonds in the Statement of Activities.

In the current year, these amounts are:

Debt Issue Costs Payments	15,011	
Amortization of Debt Issue Costs	(660)	14,351
Change in Net Assets of Governmental Activities		\$ (1,879,912)

The accompanying notes are an integral part of the financial statements.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Non-GAAP Budgetary Basis General and Transportation Funds

For the Fiscal Year Ended June 30, 2002
(Expressed in Thousands)

Revenues	General Fund				Transportation Fund			
	Budget			Variance with Final Budget	Budget			Variance with Final Budget
	Original	Final	Actual	Over (Under)	Original	Final	Actual	Over (Under)
Budgeted:								
Taxes, Net of Refunds	\$8,754,200	\$7,738,200	\$7,730,954	\$(7,246)	\$514,400	\$534,400	\$533,734	\$(666)
Operating Transfers In	385,200	397,600	397,589	(11)	-	-	-	-
Casino Gaming Payments	360,000	369,000	368,954	(46)	-	-	-	-
Licenses, Permits, and Fees	128,200	137,600	137,518	(82)	320,300	331,400	331,394	(6)
Other	270,700	215,400	216,200	800	37,000	40,500	40,480	(20)
Federal Grants	2,144,300	2,142,200	2,142,269	69	3,000	3,300	3,310	10
Refunds of Payments	(500)	(400)	(373)	27	(2,800)	(2,500)	(2,525)	(25)
Operating Transfers Out	(148,000)	(147,700)	(147,686)	14	(9,500)	(9,500)	(9,500)	-
Total Budgeted	11,894,100	10,851,900	10,845,425	(6,475)	862,400	897,600	896,893	(707)
Federal and Other Restricted	700,080	1,895,200	1,098,258	(796,942)	199,569	308,272	103,225	(205,047)
Total Revenues	12,594,180	12,747,100	11,943,683	(803,417)	1,061,969	1,205,872	1,000,118	(205,754)
Expenditures								
Budgeted:								
Legislative	66,962	67,087	58,095	8,992	-	-	-	-
General Government	645,956	574,038	527,288	46,750	2,252	2,252	1,673	579
Regulation and Protection	250,255	243,788	222,490	21,298	63,866	63,902	55,757	8,145
Conservation and Development	131,698	93,682	78,464	15,218	-	-	-	-
Health and Hospitals	1,265,550	1,229,506	1,198,335	31,171	-	-	-	-
Transportation	83,926	52,701	37,653	15,048	359,838	365,612	347,043	18,569
Human Services	3,555,552	3,617,827	3,589,653	28,174	-	-	-	-
Education, Libraries, and Museums	2,966,317	2,881,637	2,847,540	34,097	-	-	-	-
Corrections	1,095,683	1,099,164	1,068,183	30,981	-	-	-	-
Judicial	385,341	387,288	376,813	10,475	-	-	-	-
Non Functional	2,262,991	2,270,539	2,182,512	88,027	484,540	486,495	468,182	18,313
Total Budgeted	12,710,231	12,517,257	12,187,026	330,231	910,496	918,261	872,655	45,606
Federal and Other Restricted	700,080	1,895,200	1,098,258	796,942	199,569	308,272	103,225	205,047
Total Expenditures	13,410,311	14,412,457	13,285,284	1,127,173	1,110,065	1,226,533	975,880	250,653
Appropriations Lapsed	103,850	161,608	-	(161,608)	15,000	17,413	-	(17,413)
Excess (Deficiency) of Revenues								
Over Expenditures	(712,281)	(1,503,749)	(1,341,601)	162,148	(33,096)	(3,248)	24,238	27,486
Other Financing Sources (Uses)								
Prior Year Appropriations Carried Forward	712,430	712,430	712,430	-	54,748	54,748	54,748	-
Appropriations Continued to Fiscal Year 2002-2003	-	-	(168,623)	(168,623)	-	-	(28,192)	(28,192)
Miscellaneous Adjustments	-	-	(19,291)	(19,291)	-	-	3,167	3,167

Revenues	General Fund				Transportation Fund			
	Budget			Variance with Final Budget	Budget			Variance with Final Budget
	Original	Final	Actual	Over (Under)	Original	Final	Actual	Over (Under)
Total Other Financing Sources (Uses)	712,430	712,430	524,516	(187,914)	54,748	54,748	29,723	(25,025)
Net Change in Fund Balance	\$149	(791,319)	(817,085)	\$(25,766)	\$21,652	\$51,500	53,961	\$2,461
Budgetary Fund Balances (deficit) - July 1			- 1,444,214				390,038	
Changes in Reserves			- 116,959				(21,078)	
Budgetary Fund Balances - June 30			- \$744,088				\$422,921	

The accompanying notes are an integral part of the financial statements.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Proprietary Fund Financial Statements

Major Funds

Higher Education:

Higher Education Funds are used to account for all transactions relating to public institutions of higher education and an affiliated organization. Higher Education institutions include five universities and twelve community-technical colleges.

Bradley Airport Operations:

The airport is owned by the State of Connecticut and is operated by the Bureau of Aeronautics of the State of Connecticut, Department of Transportation. In 1982, the State issued the Airport, 1982 series, Revenue Bonds in the aggregate principal amount of \$100,000,000. The bonds were refunded in 1992 with the issuance of \$94,065,000 in refunding bonds. The refunding bonds are secured by and payable solely from the gross operating revenues generated by the State from the operations of the Airport and other receipts, funds or monies pledged in the Indenture.

The Connecticut Lottery Corporation:

The Connecticut Lottery Corporation, a public instrumentality and political subdivision of the State of Connecticut was created on July 1, 1996 for the purpose of generating revenues for the State of Connecticut's General Fund through the operation of a lottery.

Employment Security:

to account for the collection of unemployment insurance premiums from employers and the payment of unemployment benefits to eligible claimants.

Second Injury and Compensation Assurance:

an extension of the Worker's Compensation Act, the fund is currently used to pay claimants whose injuries are made more severe because of a pre-existing condition, and in cases where an injured worker receiving worker's compensation subsequently undergoes an incapacitating relapse.

Clean Water:

to account for resources used to provide loans to municipalities to finance waste water treatment projects.

Nonmajor Funds

Nonmajor proprietary funds are presented, by fund type beginning on page 110.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Statement of Net Assets

Proprietary Funds

June 30, 2002

(Expressed in Thousands)

	Business-Type Activities					Business-Type Activities			Govern- mental Activities
	Enterprise Funds					Enterprise Funds			Internal
	Higher	Inter- national	Connec- ticut	Employ- ment	Second Injury & Compens- ation	Clean	Other	Total	Service
	Edu- cation	Airport	Lottery Corporation	Security	Assurance	Water	Funds		Funds
Assets									
Current Assets:									
Cash and Cash Equivalents	\$429,820	\$15,745	\$19,276	\$-	\$16,177	\$5,523	\$59	\$486,600	\$12,241
Deposits with U.S. Treasury	-	-	-	675,562	-	-	-	675,562	-
Investments	189,431	-	61,239	-	-	-	-	250,670	-
Receivables:									
Accounts, Net of Allowances	116,053	4,043	9,511	131,514	18,084	-	-	279,205	10,952
Loans, Net of Allowances	4,030	-	-	-	-	118,650	8,082	130,762	-
Interest	-	-	17,421	-	-	8,265	1,288	26,974	-
From Other Governments	1,726	5,925	-	6,290	-	72	-	14,013	-
Due From Other Funds	175,801	-	-	647	-	-	25	176,473	4,666
Due From Component Units	99,611	-	-	-	-	-	-	99,611	-
Inventories	9,163	-	1,651	-	-	-	-	10,814	-
Restricted Assets	60	9,360	-	-	-	-	-	9,420	-
Other Current Assets	7,191	518	519	-	167	515	-	8,910	4,757
Total Current Assets	1,032,886	35,591	109,617	814,013	34,428	133,025	9,454	2,169,014	32,616
Noncurrent Assets:									
Cash and Cash Equivalents	63,073	-	-	-	-	-	-	63,073	-
Receivables, Net of Allowances	54,838	-	-	-	-	468,588	18,673	542,099	-
Restricted Assets	18,813	188,051	-	-	-	437,357	51,483	695,704	-
Investments	-	-	409,216	-	38,847	-	-	448,063	-
Capital Assets, Net of Accumulated Depreciation	2,022,511	247,151	1,992	-	24	-	34,387	2,306,065	64,437
Other Noncurrent Assets	20,643	9,985	4,887	-	-	6,651	2,310	44,476	37
Total Noncurrent Assets	2,179,878	445,187	416,095	-	38,871	912,596	106,853	4,099,480	64,474
Total Assets	3,212,764	480,778	525,712	814,013	73,299	1,045,621	116,307	6,268,494	97,090
Liabilities									
Current Liabilities:									
Accounts Payable and Accrued Liabilities	153,022	8,038	6,994	-	13,623	10,702	2,141	194,520	11,709
Due To Other Funds	9,360	6,700	-	15,310	-	25	-	31,395	41,822
Current Portion of Long-Term Obligations	58,143	5,775	64,666	-	13,302	27,050	-	168,936	268
Deferred Revenue	58,231	590	395	-	-	-	119	59,335	329
Other Current Liabilities	20,333	3,585	41,631	-	-	-	14	65,563	74
Total Current Liabilities	299,089	24,688	113,686	15,310	26,925	37,777	2,274	519,749	54,202
Noncurrent Liabilities:									
Noncurrent Portion of Long-Term Obligations	512,136	257,148	409,216	-	142,449	543,706	84,057	1,948,712	10,159
Total Noncurrent Liabilities	512,136	257,148	409,216	-	142,449	543,706	84,057	1,948,712	10,159
Total Liabilities	811,225	281,836	522,902	15,310	169,374	581,483	86,331	2,468,461	64,361
Net Assets (Deficit)									
Invested in Capital Assets, Net of Related Debt	1,781,262	83,684	1,992	-	-	-	(19,412)	1,847,526	23,007
Restricted For:									
Debt Service	12,457	40,411	-	-	40,172	-	10,893	103,933	-
Unemployment Compensation	-	-	-	798,703	-	-	-	798,703	-
Clean Water Projects	-	-	-	-	-	402,281	-	402,281	-
Capital Projects	107,773	37,209	-	-	-	-	-	144,982	-
Nonexpendable Endowment	177,343	-	-	-	-	-	-	177,343	-
Other Purposes	172,903	22,425	2,810	-	-	-	20,752	218,890	-
Unrestricted	149,801	15,213	(1,992)	-	(136,247)	61,857	17,743	106,375	9,722
Total Net Assets (Deficit)	\$2,401,539	\$198,942	\$2,810	\$798,703	\$ (96,075)	\$464,138	\$29,976	\$3,800,033	\$32,729

The accompanying notes are an integral part of the financial statements.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Statement of Revenues, Expenses and Changes in Fund Net Assets Proprietary Funds

For the Fiscal Year Ended June 30, 2002
(Expressed in Thousands)

	Business-Type Activities					Business-Type Activities			Govern- mental Activities
	Enterprise Funds					Enterprise Funds			Internal
	Higher	Bradley	Connec- ticut	Employ- ment	Second Injury & Compens- ation	Clean	Other		Service
	Edu- cation	Inter- national Airport	Lottery Corporation	Security	Assurance	Water	Funds	Total	Funds
Operating Revenues									
Charges for Sales and Services	\$719,159	\$31,055	\$907,903	\$-	\$-	\$-	\$15,912	\$1,674,029	\$123,549
Assessments	-	-	-	433,883	107,132	-	-	541,015	-
Intergovernmental	187,474	-	-	180,074	-	-	-	367,548	-
Private Gifts and Grants	60,856	-	-	-	-	-	-	60,856	-
Interest on Loans	-	-	-	-	-	11,610	625	12,235	-
Other	47,555	-	280	29,747	3,431	-	798	81,811	-
Total Operating Revenues	1,015,044	31,055	908,183	643,704	110,563	11,610	17,335	2,737,494	123,549
Operating Expenses									
Cost of Sales and Services	151,151	-	621,062	-	-	-	11,691	783,904	86,010
Salaries, Wages and Administrative	1,287,629	27,838	10,915	-	8,927	701	1,541	1,337,551	34,055
Unemployment Compensation	-	-	-	736,105	-	-	-	736,105	-
Claims Paid	-	-	-	-	41,506	-	-	41,506	-
Depreciation and Amortization	105,605	11,008	935	-	-	-	1,004	118,552	12,932
Other	317,200	-	3,618	-	-	-	-	320,818	-
Total Operating Expenses	1,861,585	38,846	636,530	736,105	50,433	701	14,236	3,338,436	132,997
Operating Income (Loss)	(846,541)	(7,791)	271,653	(92,401)	60,130	10,909	3,099	(600,942)	(9,448)
Nonoperating Revenue (Expenses)									
Interest and Investment Income	13,315	10,086	36,291	41,945	2,045	24,205	2,883	130,770	1,154
Interest and Fiscal Charges	(8,290)	(11,609)	(35,588)	(156)	(10,581)	(29,917)	(4,950)	(101,091)	-
Other	45,581	13,574	21	-	(221)	(285)	-	58,670	-
Total Nonoperating Revenues (Expenses)	50,606	12,051	724	41,789	(8,757)	(5,997)	(2,067)	88,349	1,154
Income (Loss) Before Capital Contributions, Grants, Special Item, and Transfers	(795,935)	4,260	272,377	(50,612)	51,373	4,912	1,032	(512,593)	(8,294)
Capital Contributions	25,674	12,163	-	-	-	-	-	37,837	179
Federal Grants	-	-	-	-	-	12,656	6,646	19,302	-
Special Item-Loss on Disposal of Capital Assets	(3,102)	-	-	-	(1,397)	-	-	(4,499)	-
Transfers In	925,078	8,338	-	3,086	-	7,258	-	943,760	-
Transfers Out	-	-	(271,510)	(6,314)	-	-	(8,899)	(286,723)	-
Change in Net Assets	151,715	24,761	867	(53,840)	49,976	24,826	(1,221)	197,084	(8,115)
Total Net Assets (Deficit) - Beginning (as restated)	2,249,824	174,181	1,943	852,543	(146,051)	439,312	31,197	3,602,949	40,844
Total Net Assets (Deficit) - Ending	\$2,401,539	\$198,942	\$2,810	\$798,703	\$(96,075)	\$464,138	\$29,976	\$3,800,033	\$32,729

The accompanying notes are an integral part of the financial statements.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2002

(Expressed in Thousands)

	Business-Type Activities					Business-Type Activities			Govern- mental Activities
	Enterprise Funds					Enterprise Funds			Internal
	Higher Edu- cation	Bradley Inter- national Airport	Connec- ticut Lottery Corporation	Employ- ment Security	Second Injury & Compens- ation Assurance	Clean Water	Other Funds	Total	Service Funds
Cash Flows from Operating Activities									
Receipts from Customers	\$843,493	\$31,319	\$908,498	\$626,041	\$111,110	\$47,767	\$17,760	\$2,585,988	\$120,276
Payments to Suppliers	(503,343)	(15,643)	(23,322)	-	-	-	(11,603)	(553,911)	(105,875)
Payments to Employees	(1,141,856)	(11,899)	(9,225)	-	(8,419)	(680)	(1,082)	(1,173,161)	(33,459)
Other Receipts (Payments)	59,379	-	(598,842)	(701,510)	(37,591)	(49,204)	(8,925)	(1,336,693)	38,051
Net Cash Provided by (Used in) Operating Activities	(742,327)	3,777	277,109	(75,469)	65,100	(2,117)	(3,850)	(477,777)	18,993
Cash Flows from Noncapital Financing Activities									
Retirement of Bonds and Annuities Payable	(130)	-	(40,278)	-	(94,530)	(31,040)	-	(165,978)	-
Interest of Bonds and Annuities Payable	-	-	(37,140)	(156)	(13,565)	(29,100)	(1,165)	(81,126)	-
Transfers In	835,211	8,338	-	3,086	-	6,743	-	853,378	-
Transfers Out	-	-	(282,755)	(6,314)	-	-	(8,884)	(297,953)	-
Other Receipts (Payments)	15,506	-	-	-	(1,637)	12,793	6,730	33,392	-
Net Cash Flows from Noncapital Financing Activities	850,587	8,338	(360,173)	(3,384)	(109,732)	(40,604)	(3,319)	341,713	-
Cash Flows from Capital and Related Financing Activities									
Additions to Property, Plant and Equipment	(212,378)	(82,417)	(269)	-	(27)	-	(1,958)	(297,049)	(24,258)
Proceeds from Capital Debt	164,965	-	-	-	-	-	-	164,965	921
Principal Paid on Capital Debt	(45,922)	(3,860)	-	-	-	-	-	(49,782)	-
Interest Paid on Capital Debt	(33,740)	(15,356)	-	-	-	-	(3,583)	(52,679)	-
Transfer In	85,157	-	-	-	-	-	-	85,157	-
Capital Contributions	-	7,915	-	-	-	-	-	7,915	-
Other Receipts (Payments)	50,944	14,050	-	-	-	-	-	64,994	-
Net Cash Flows from Capital and Related Financing Activities	9,026	(79,668)	(269)	-	(27)	-	(5,541)	(76,479)	(23,337)
Cash Flows from Investing Activities									
Proceeds from Sales and Maturities of Investments	14,548	51,665	40,760	34,534	34,009	24,783	10,765	211,064	-
Purchase of Investment Securities	(76,910)	-	(4,267)	-	-	-	-	(81,177)	-
Interest on Investments	14,117	10,969	37,842	41,945	2,223	22,442	1,991	131,529	1,154
Net Cash Flows from Investing Activities	(48,245)	62,634	74,335	76,479	36,232	47,225	12,756	261,416	1,154
Net Increase (Decrease) in Cash and Cash Equivalents	69,041	(4,919)	(8,998)	(2,374)	(8,427)	4,504	46	48,873	(3,190)
Cash and Cash Equivalents -Beginning of Year (as restated)	434,771	90,392	28,274	2,374	24,604	1,019	13	581,447	15,431
Cash and Cash Equivalents -End of Year	\$503,812	\$85,473	\$19,276	\$-	\$16,177	\$5,523	\$59	\$630,320	\$12,241
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities									
Operating Income (Loss)	\$(846,541)	\$(7,791)	\$271,653	\$(92,401)	\$60,130	\$10,909	\$3,099	\$(600,942)	\$(9,448)
Adjustments not Affecting Cash:									
Depreciation and Amortization	105,605	11,008	935	-	-	-	1,004	118,552	12,932
Others	942	-	4,463	-	-	-	-	5,405	-
Change in Assets and Liabilities:									
(Increase) Decrease in Receivables, Net	(4,621)	(3,675)	304	(17,664)	(8,154)	(13,026)	(8,041)	(54,877)	(2,384)
(Increase) Decrease in Due From Other Funds	(17,930)	-	-	-	-	-	-	(17,930)	(888)
(Increase) Decrease in Inventories and Other Assets	(1,311)	-	(702)	58,108	(14)	-	88	56,169	567
Increase (Decrease) in Accounts Payables & Accrued Liabilities	22,236	10	456	(65)	13,135	-	-	35,772	(23,119)
Increase (Decrease) in Due To Other Funds	(707)	4,225	-	(23,447)	3	-	-	(19,926)	41,333
Total Adjustments	104,214	11,568	5,456	16,932	4,970	(13,026)	(6,949)	123,165	28,441
Net Cash Provided by (Used In) Operating Activities	\$(742,327)	\$3,777	\$277,109	\$(75,469)	\$65,100	\$(2,117)	\$(3,850)	\$(477,777)	\$18,993
Noncash Investing, Noncapital Financing and Capital and Related Financing Transactions									
Fixed Assets Acquired by Incurring Capital Lease Obligations	236	-	-	-	-	-	-	236	-
Change in Receivable from State Affecting Proceeds of Capital Debt	3,655	-	-	-	-	-	-	3,655	-
Bond Issuance Costs Reducing Proceeds of Long-Term Debt	(308)	-	-	-	-	-	-	(308)	-
Change in Accrued Interest Payable Affecting Interest Paid	(1,683)	-	-	-	-	-	-	(1,683)	-
Bond Premium Affecting Cost, Increasing Bond Proceeds	622	-	-	-	-	-	-	622	-
Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets									
Cash and Cash Equivalents - Current	\$429,820	\$15,745							
Cash and Cash Equivalents - Noncurrent	63,073	-							
Cash and Cash Equivalents - Restricted	10,919	69,728							

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2002
(Expressed in Thousands)

Business-Type Activities					Business-Type Activities		Governmental Activities	
Enterprise Funds					Enterprise Funds		Internal	
Bradley Connecticut					Second Injury		Service	
Higher Education	International Airport	Lottery Corporation	Employment Security	& Compensation Assurance	Clean Water	Other Funds	Total	Funds
\$503,812	\$85,473							

The accompanying notes are an integral part of the financial statements.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Fiduciary Fund Financial Statements

Investment Trust Fund

External Investment Pool:

to account for the portion of the Short-Term Investment Fund that belongs to participants that are not part of the State's financial reporting entity.

Private Purpose Trust Fund

Escheat Securities:

to account for securities that are held by the State Treasurer for individuals under escheat laws of the State.

Individual fund descriptions and financial statements begin on the following pages:

Pension (and Other Employee Benefit) Trust Funds, page 118

Agency Funds, page 124

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2002

(Expressed in Thousands)

	Pension & Other Employee Benefit Trust Funds	Investment Trust Fund External Investment Pool	Private- Purpose Trust Fund Escheat Securities	Agency Funds	Total
Assets					
Cash and Cash Equivalents	\$11,693	\$-	\$-	\$271,551	\$283,244
Receivables:					
Accounts, Net of Allowances	11,371	-	-	2,755	14,126
From Other Governments	1,637	-	-	-	1,637
From Other Funds	4,331	-	-	4,169	8,500
Interest	842	1,024	-	94	1,960
Investments	18,585,924	1,245,812	-	-	19,831,736
Inventories	-	-	-	170	170
Securities Lending Collateral	1,572,731	-	-	-	1,572,731
Other Assets	4,756	7	60,768	522,426	587,957
Total Assets	20,193,285	1,246,843	60,768	\$801,165	22,302,061
Liabilities					
Accounts Payable and Accrued Liabilities	25	2,032	-	14,831	16,888
Securities Lending Obligation	1,572,731	-	-	-	1,572,731
Due to Other Funds	14,918	-	-	-	14,918
Other Liabilities	-	82	-	562	644
Funds Held for Others	-	-	-	785,772	785,772
Total Liabilities	1,587,674	2,114	-	\$801,165	2,390,953
Net Assets					
Held in Trust For:					
Employees' Pension Benefits (Note 12)	18,571,063	-	-	-	18,571,063
Other Employee Benefits	34,548	-	-	-	34,548
Individuals, Organizations, and Other Governments	-	1,244,729	60,768	-	1,305,497
Total Net Assets	\$18,605,611	\$1,244,729	\$60,768		\$19,911,108

The accompanying notes are an integral part of the financial statements.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Statement of Changes in Fiduciary Net Assets

Fiduciary Funds

June 30, 2002

(Expressed in Thousands)

	Pension & Other Employee Benefit Trust Funds	Investment Trust Fund External Investment Pool	Private- Purpose Trust Fund Escheat Securities	Total
Additions				
Contributions:				
Plan Members	\$275,381	\$-	\$-	\$275,381
State	640,088	-	-	640,088
Municipalities	19,053	-	-	19,053
Total Contributions	934,522	-	-	934,522
Investment Income (Loss)	(1,240,059)	48,770	-	(1,191,289)
Less: Investment Expense	(93,424)	(690)	-	(94,114)
Net Investment Income (Loss)	(1,333,483)	48,080	-	(1,285,403)
Escheat Securities Received	-	-	12,576	12,576
Transfers In	1,137	-	-	1,137
Other	5	-	-	5
Total Additions	(397,819)	48,080	12,576	(337,163)
Deductions				
Administrative Expense	1,396	-	-	1,396
Benefit Payments and Refunds	1,528,793	-	-	1,528,793
Escheat Securities Returned or Sold	-	-	12,997	12,997
Pool's Share Transactions	-	169,351	-	169,351
Distributions to Pool Participants	-	48,080	-	48,080
Other	3,948	-	5,547	9,495
Total Deductions	1,534,137	217,431	18,544	1,770,112
Change in Net Assets Held In Trust For:				
Pension and Other Employee Benefits	(1,931,956)	-	-	(1,931,956)
Individuals, Organizations, and Other Governments	-	(169,351)	(5,968)	(175,319)
Net Assets - Beginning (as restated)	20,537,567	1,414,080	66,736	22,018,383
Net Assets - Ending	\$18,605,611	\$1,244,729	\$60,768	\$19,911,108

The accompanying notes are an integral part of the financial statements.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Component Unit Financial Statements

Major Component Units

Connecticut Development Authority:

the Connecticut Development Authority is a public instrumentality and political subdivision of the State. The Authority was created to stimulate industrial and commercial development within the State through its Self-Sustaining Bond Program, its Umbrella Program and its Insurance Program.

Connecticut Housing Finance Authority:

the Connecticut Housing Finance Authority is a public instrumentality and political subdivision of the State created for the purpose of increasing the housing supply and encouraging and assisting in the purchase, development and construction of housing for low and moderate income families throughout the State.

Connecticut Resources Recovery Authority:

the Connecticut Resources Recovery Authority is a public instrumentality and political subdivision of the State. The Authority is responsible for implementing the State's solid waste management plan, which includes design, construction and operation of resources recovery facilities and the marketing of recovered products.

Nonmajor

The nonmajor component units are presented beginning on page 129.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Combining Statement of Net Assets

Component Units

June 30, 2002

(Expressed in Thousands)

Assets	Connecticut Development Authority	Connecticut Housing Finance Authority (12-31-01)	Connecticut Resources Recovery Authority	Other Component Units	Total
Current Assets:					
Cash and Cash Equivalents	\$22,333	\$359,043	\$69,705	\$85,528	\$536,609
Investments	960	21,421	-	97,697	120,078
Receivables, Net of Allowances	16,801	114,336	19,474	15,277	165,888
Due From Primary Government	20,327	-	-	19	20,346
Inventories	-	-	3,543	-	3,543
Restricted Assets	-	47,192	-	403,865	451,057
Other Current Assets	839	8,967	1,519	1,028	12,353
Total Current Assets	61,260	550,959	94,241	603,414	1,309,874
Noncurrent Assets:					
Restricted Assets	20,229	319,525	85,339	279	425,372
Capital Assets, Net of Accumulated Depreciation	20,272	2,523	229,151	340	252,286
Investments	19,886	214,497	-	-	234,383
Receivables, Net of Allowances	110,884	2,877,689	-	80,135	3,068,708
Other Noncurrent Assets	3,381	43,190	11,480	1,874	59,925
Total Noncurrent Assets	174,652	3,457,424	325,970	82,628	4,040,674
Total Assets	235,912	4,008,383	420,211	686,042	5,350,548
Liabilities					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	889	23,509	27,447	1,141	52,986
Due To Primary Government	-	-	-	99,611	99,611
Escrow Deposits	152	26,195	-	-	26,347
Current Portion of Long-Term Obligations	5,688	89,075	18,373	5,315	118,451
Amount Held for Institutions	-	-	-	279,817	279,817
Deferred Revenue	285	-	-	395	680
Other Current Liabilities	8,246	4,775	1,317	3,933	18,271
Total Current Liabilities	15,260	143,554	47,137	390,212	596,163
Noncurrent Liabilities:					
Noncurrent Portion of Long-Term Obligations	50,591	3,247,074	242,154	127,446	3,667,265
Total Noncurrent Liabilities	50,591	3,247,074	242,154	127,446	3,667,265
Total Liabilities	65,851	3,390,628	289,291	517,658	4,263,428
Net Assets					
Invested in Capital Assets, Net of Related Debt	14,226	2,523	27,037	340	44,126
Restricted:					
Debt Service	20,229	-	-	-	20,229
Bond Indentures	-	609,058	-	-	609,058
Other Purposes	-	1,933	20,786	5,098	27,817
Unrestricted	135,606	4,241	83,097	162,946	385,890
Total Net Assets	\$170,061	\$617,755	\$130,920	\$168,384	\$1,087,120

The accompanying notes are an integral part of the financial statements.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Statement of Activities

Component Units

For the Fiscal Year Ended June 30, 2002

(Expressed in Thousands)

Functions/ Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contrib- utions	Capital Grants and Contrib- utions	Connecticut Development Authority	Net (Expense) Revenue and Changes in Net Assets			Totals
						Connecticut Housing Finance Authority (12-31-01)	Connecticut Resources Recovery Authority	Other Component Units	
Connecticut Development Authority	\$28,320	26,304	-	-	\$(2,016)	\$-	\$-	\$-	\$(2,016)
Connecticut Housing Finance Authority (12/31/01)	214,425	212,755	575	-	-	(1,095)	-	-	(1,095)
Connecticut Resources Recovery Authority	173,034	157,513	-	-	-	-	(15,521)	-	(15,521)
Other Component Units	29,708	15,323	23,218	-	-	-	-	8,833	8,833
Total Component Units	445,487	411,895	23,793	-	(2,016)	(1,095)	(15,521)	8,833	(9,799)
General Revenues:									
Investment Income					3,286	43,153	4,388	(54,133)	(3,306)
Special Items:									
Administrative Fee Rebates					-	-	-	(1,327)	(1,327)
Others					(1,233)	-	-	-	(1,233)
Total General Revenues and Special Items					2,053	43,153	4,388	(55,460)	(5,866)
Change in Net Assets					37	42,058	(11,133)	(46,627)	(15,665)
Net Assets - Beginning (as restated)					170,024	575,697	142,053	215,011	1,102,785
Net Assets - Ending					\$170,061	\$617,755	\$130,920	\$168,384	\$1,087,120

The accompanying notes are an integral part of the financial statements.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Notes to the Financial Statements

June 30, 2002

Note 1 Summary of Significant Accounting Policies

a. Basis of Presentation

The accompanying financial statements of the State of Connecticut have been prepared in conformity with generally accepted accounting principles as prescribed in pronouncements of the Governmental Accounting Standards Board, except for the financial statements of the University of Connecticut Foundation, Incorporated (a component unit). Those statements are prepared according to generally accepted accounting principles as prescribed in pronouncements of the Financial Accounting Standards Board.

b. Reporting Entity

For financial reporting purposes, the State's reporting entity includes the "primary government" and its "component units." The primary government includes all funds, agencies, departments, bureaus, commissions, and component units that are considered an integral part of the State's legal entity. Component units are legally separate organizations for which the State is financially accountable. Financial accountability exists if (1) the State appoints a voting majority of the organization's governing board, and (2) the State is able to impose its will on the organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the State. The State also includes a nongovernmental corporation as a component unit because it would be misleading to exclude the corporation from the reporting entity. Component units are reported in the financial statements in a separate column (discrete presentation), or as part of the primary government (blending presentation).

Discretely Presented Component Units

Discretely presented component units include legally separate organizations for which the State appoints a voting majority of the organization's governing board and is contingently liable for the organization's debt or provides significant funding for the organization's programs (applies only to the Connecticut Innovations, Incorporated and the Capital City Economic Development Authority). The following organizations are reported in separate columns and rows in the government-wide financial statements to emphasize that they are legally separate from the primary government:

Connecticut Development Authority

The Authority is a public instrumentality and political subdivision of the State. It was created to stimulate industrial and commercial development within the State through its Self-Sustaining Bond, Umbrella, and Insurance programs as well as other economic development programs.

Connecticut Housing Finance Authority

The Authority is a public instrumentality and political subdivision of the State. It was created for the purpose of increasing the housing supply and encouraging and assisting in the purchase, development, and construction of housing for low and moderate-income families and persons throughout the State. The Authority's fiscal year is for the period ending on December 31, 2001.

Connecticut Resources Recovery Authority

The Authority is a public instrumentality and political subdivision of the State. It is responsible for implementing the State Solid Waste Management Plan by determining the location of and constructing solid waste management projects; owning, operating, and maintaining waste management projects; or making provisions for operation and maintenance by contracting with private industry.

Connecticut Higher Education Supplemental Loan Authority

The Authority is a public instrumentality and political sub-division of the State. It was created to assist students, their parents, and institutions of higher education to finance the cost of higher education through its Bond funds.

Connecticut Health and Educational Facilities Authority

The Authority is a public instrumentality and political subdivision of the State. The purpose of the Authority is to assist certain health care institutions, institutions of higher education, and qualified for-profit and not-for-profit institutions in the financing and refinancing of projects to be undertaken in relation to programs for these institutions.

Connecticut Innovations, Incorporated

The Authority is a public instrumentality and political subdivision of the State. It was established to stimulate and promote technological innovation and application of technology within Connecticut and encourage the development of new products, innovations, and inventions or markets in Connecticut by providing financial and technical assistance.

Capital City Economic Development Authority

The Authority is a public instrumentality and political subdivision of the State. It was established in 1998 to stimulate new investment in Connecticut; to attract and service large conventions, tradeshow, exhibitions, conferences, and local consumer shows, exhibitions and events; to encourage the diversification of the state economy; to strengthen Hartford's role as the region's major business and industry employment center and seat of government; to encourage residential housing development in downtown Hartford; and to construct, operate, maintain and market a convention center project in Hartford.

Financial statements for the major component units are included in the accompanying financial statements after the fund financial statements. Audited financial statements issued separately by each component unit can be obtained from their respective administrative offices.

Blended Component Units

Connecticut Lottery Corporation

The Connecticut Lottery Corporation is a legally separate organization for which the State appoints a voting majority of the Corporation's governing board and which provides a significant amount of revenues to the State. The corporation is reported as part of the primary government's business-type activities in the government-wide financial statements and as a major Enterprise fund in the fund financial statements.

University of Connecticut Foundation, Incorporated

The University of Connecticut Foundation, Incorporated is a nongovernmental nonprofit corporation created exclusively to solicit, receive, and administer gifts and financial resources from private sources for the benefit of all campuses and programs of the University of Connecticut, a unit of the Higher Education fund. The University is not financially accountable for the Foundation. However, the Foundation is included as a component unit because the nature and significance of its relationship to the University are such that exclusion would cause the University's financial statements to be misleading. The Foundation is reported as part of the primary government's business-type activities in the government-wide financial statements and as part of the Higher Education fund (a major Enterprise fund) in the fund financial statements.

c. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the primary government and its component units. These statements distinguish between the governmental and business-type activities of the primary government by using separate columns and rows. Governmental activities are generally financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Net Assets presents the reporting entity's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

1. Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds issued to buy, construct, or improve those assets.
2. Restricted net assets result when constraints placed on net assets use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are not allocated to the various functions or segments. Program revenues include a) fees, fines, and charges paid by the recipients of goods or services offered by the functions or segments and b) grants and contributions that are restricted to meeting the operational or capital needs of a particular function or segment. Revenues that are not classified as program revenues, including all taxes, are reported as general revenues.

Fund Financial Statements

The fund financial statements provide information about the State's funds, including its fiduciary funds and blended component units. Separate statements for each fund category (governmental, proprietary, and fiduciary) are presented. The emphasis of fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The State reports the following major governmental funds:

General Fund - This is the State's primary operating fund. It is used to account for all financial resources which are not required to be accounted in other funds and which are spent for those services normally provided by the State (e.g., health, social assistance, education, etc.).

Debt Service - This fund is used to account for the resources accumulated and payments made for principal and interest on special tax obligation bonds of the Transportation fund and Rental Housing bonds.

Transportation - This fund is used to account for motor vehicle taxes, receipts, and transportation related federal revenues collected for the purpose of payment of transportation related bonds and budgeted appropriations of the Department of Transportation. The Department of Transportation is responsible for all aspects of the planning, development, maintenance, and improvement of transportation in the State.

The State reports the following major enterprise funds:

Higher Education - This fund is used to account for the financial activities of the State's higher education institutions, including the University of Connecticut, the University of Connecticut Health Center (including

John Dempsey Hospital), State Universities, Community-Technical Colleges, and the University of Connecticut Foundation, Incorporated, a component unit.

Bradley International Airport - This fund is used to account for the financial activities of the Bradley International Airport, which is owned and operated by the State.

Connecticut Lottery Corporation - This fund is used to account for the financial activities of the State's lottery. The Corporation was created in 1996 for the purpose of generating revenues for the State's General Fund.

Employment Security - This fund is used to account for unemployment insurance premiums from employers and the payment of unemployment benefits to eligible claimants.

Second Injury and Compensation Assurance - This fund is an extension of the Workers' Compensation Act managed by the State Treasurer and is used to pay injured workers whose injuries are made more severe because of a pre-existing condition, and in cases where an injured worker subsequently undergoes an incapacitating relapse.

Clean Water - This fund is used to account for resources used to provide loans to municipalities to finance waste water treatment facilities.

In addition, the State reports the following fund types:

Internal Service Funds - These funds account for goods and services provided to other agencies of the State on a cost-reimbursement basis. These goods and services include prisoner-built office furnishings, information services support, telecommunications, printing, and other services.

Pension (and Other Employee Benefits) Trust Funds - These funds account for resources held in trust for the members and beneficiaries of the State's defined benefit pension plans, a defined contribution plan, and other employee benefits plans. These plans are discussed more fully in Notes 10 and 11.

Investment Trust Fund - This fund accounts for the external portion of the State's Short-Term Investment Fund, an investment pool managed by the State Treasurer.

Private-Purpose Trust Fund - This fund accounts for escheat securities held in trust for individuals by the State Treasurer.

Agency Funds - These funds account for deposits, investments, and other assets held by the State as an agent for inmates and patients of State institutions, insurance companies, municipalities, and private organizations.

d. Measurement Focus and Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flows take place. Taxes and casino gaming payments are recognized as revenues in the period when the underlying exchange transaction has occurred. Grants and similar items are recognized as revenues in the period when all eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the State's enterprise and internal service funds are charges to customers for sales and services, assessments, and intergovernmental revenues. Operating expenses for enterprise and internal service funds include salaries, wages, and

administrative expenses, unemployment compensation, claims paid, and depreciation expense. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. This option is followed by the following component units of the State: the Connecticut Development Authority and the Connecticut Health and Educational Facilities Authority.

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The State considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Sales and use taxes, personal income taxes, public service corporation taxes, special fuel taxes, federal grants, and casino gaming payments are considered to be susceptible to accrual. Licenses, permits, and fees are not considered to be susceptible to accrual and are recognized as revenues when the cash is collected. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general-long term debt and acquisitions under capital leases are reported as other financing sources.

When both restricted and unrestricted resources are available for use, it is the State's policy to use restricted resources first, then unrestricted resources, as they are needed.

e. Budgeting Process

By statute, the Governor must submit the State budget to the General Assembly in February of every other year. Prior to June 30, the General Assembly enacts the budget through the passage of appropriation acts for the next two fiscal years and sets forth revenue estimates for the same period for the following funds: the General Fund, the Transportation Fund, the Mashantucket Pequot Fund, the Workers' Compensation Administration Fund, the Banking Fund, the Consumer Counsel and Public Utility Control Fund, the Insurance Fund, the Criminal Injuries Fund, the Soldiers, Sailors, and Marines Fund and the Regional Market Operations Fund. Under the State Constitution, the Governor has the power to veto any part of the itemized appropriations bill and to accept the remainder of the bill. However, the General Assembly may separately reconsider and repass the disapproved items by a two-thirds majority vote of both the Senate and the House.

Budgetary control is maintained at the individual appropriation account level by agency as established in authorized appropriation bills and is reported in the Annual Report of the State Comptroller. A separate document is necessary because the level of legal control is more detailed than reflected in the CAFR. Before an agency can utilize funds appropriated for a particular purpose, such funds must be allotted for the specific purpose by the Governor and encumbered by the Comptroller upon request by the agency. Such funds can then be expended by the Treasurer only upon a warrant, draft or order of the Comptroller drawn at the request of the responsible agency. The allotment process maintains expenditure control over special revenue, enterprise, and internal service funds that are not budgeted as part of the annual appropriation act.

The Governor has the power under Connecticut statute to modify budgetary allotment requests for the administration, operation and maintenance of a budgeted agency. However, the modification cannot exceed 3 percent of the fund or 5 percent of the appropriation amount. Modifications beyond those limits, but not in excess of 5 percent of the total funds, require the approval of the Finance Advisory Committee. The Finance Advisory Committee is comprised of the Governor, the Lieutenant Governor, the Treasurer, the Comptroller, two senate members, not of the same political party, and three house members, not more than two of the same

political party. Additional reductions of appropriations of more than 5 percent of the total appropriated fund can be made only with the approval of the General Assembly.

All funds, except fiduciary funds, use encumbrance accounting. Under this method of accounting, purchase orders, contracts, and other commitments for the expenditures of the fund are recorded in order to reserve that portion of the applicable appropriation. All encumbrances lapse at year-end and, generally, all appropriations lapse at year-end except for certain continuing appropriations (continuing appropriations are defined as carry forwards of spending authority from one fiscal budget into a subsequent budget). The continuing appropriations include: appropriations continued for a one-month period after year-end which are part of a program that was not renewed the succeeding year; appropriations continued the entire succeeding year, as in the case of highway and other capital construction projects; and appropriations continued for specified amounts for certain special programs. Carry forward appropriations are reported as reservations of the fund balance in the financial statements.

The budget is prepared on a "modified cash" basis of accounting under which revenues are recognized when received, except for certain taxes and Federal and other restricted grant revenues of the General and Transportation funds which are recognized when earned. Tax revenues recognized when earned include the following: sales and use, personal income, corporation, public service corporations, petroleum companies, cigarettes, alcoholic beverages, gasoline, special motor fuel, and motor carrier road. Under the modified cash basis, expenditures are recognized when paid. A comparison of actual results of operations recorded on this basis and the adopted budget is presented in the financial statements for the General and Transportation funds. During the 2002 fiscal year, the original adopted budget was adjusted by the General Assembly and the Finance Advisory Committee.

f. Assets and Liabilities

Cash and Cash Equivalents (see [Note 4](#))

In addition to petty cash and bank accounts, this account includes cash equivalents - short-term, highly liquid investments with original maturities of three months or less when purchased. Cash equivalents include investments in the Short-Term Investment Fund ("STIF") and the Tax Exempt Proceeds Fund, Inc. ("TEPF"). TEPF is a short-term, tax-exempt money market fund reported under the Investment Company Act of 1940. Investments in STIF and TEPF are reported at the fund's share price.

Investments (see [Note 4](#))

Investments include Equity in Combined Investment Funds and other investments. Equity in Combined Investment Funds is reported at fair value based on the funds' current share price. Other investments are reported at fair value, except for the following investments which are reported at cost or amortized cost:

- Nonparticipating interest-earning investment contracts.
- Money market investments that mature within one year or less at the date of their acquisition.
- Investments of the External Investment Pool fund (an Investment Trust fund).

The fair value of other investments is determined based on quoted market prices except for:

- The fair value of State bonds held by the Clean Water Fund (an Enterprise fund) which is estimated using matrix pricing.
- The fair value of equity and debt securities held by the Connecticut Innovations, Incorporated, a component unit. The fair value of these investments is determined by the Valuation Committee of the Corporation, after giving consideration to pertinent information about the companies comprising the investments, including but not limited to recent sales prices of the issuer's securities, sales growth, progress toward business goals, and other operating data.

The State invests in derivatives. STIF and the Combined Investment Funds hold these investments.

Inventories

Inventories are reported at cost. Cost is determined by the first-in first-out (FIFO) method. Inventories in the governmental funds consist of expendable supplies held for consumption whose cost was recorded as an expenditure at the time the individual inventory items were purchased. Reported inventories in these funds are offset by a fund balance reserve to indicate that they are unavailable for appropriation.

Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, railways, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the State as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated fair market value at the date of donation.

Collections of historical documents, rare books and manuscripts, guns, paintings, and other items are not capitalized. These collections are held by the State Library for public exhibition, education, or research; and are kept protected, cared for, and preserved indefinitely. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are also not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	40
Improvements Other than Buildings	10-20
Machinery and Equipment	5-30
Infrastructure	20-28

Securities Lending Transactions (see Note 4)

Assets, liabilities, income, and expenses arising from securities lending transactions of the Combined Investment Funds are allocated ratably to the participant funds based on their equity in the Combined Investment Funds.

Deferred Revenues

In the government-wide and fund financial statements, this liability represents resources that have been received, but not yet earned. In the fund financial statements, this liability also represents revenues considered measurable but not available during the current period.

Long-term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. Other long-term obligations include compensated absences, workers' compensation claims, capital leases, claims and judgments, annuities payable, and the net pension obligation.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing

sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Capital Appreciation Bonds

Capital appreciation (deep-discount) bonds issued by the State, unlike most bonds, which pay interest semi-annually, do not pay interest until the maturity of the bonds. An investor who purchases a capital appreciation bond at its discounted price and holds it until maturity will receive an amount which equals the initial price plus an amount which has accrued over the life of the bond on a semiannual compounding basis. The net value of the bonds is accreted (the discount reduced), based on this semiannual compounding, over the life of the bonds. This deep-discount debt is reported in the government-wide statement of net assets at its net or accreted value rather than at face value.

Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Vacation and sick policy is as follows: Employees hired on or before June 30, 1977, and managers regardless of date hired can accumulate up to a maximum of 120 vacation days. Employees hired after that date can accumulate up to a maximum of 60 days. Upon termination or death, the employee is entitled to be paid for the full amount of vacation days owed. No limit is placed on the number of sick days that an employee can accumulate. However, the employee is entitled to payment for accumulated sick time only upon retirement, or after ten years of service upon death, for an amount equal to one-fourth of his/her accrued sick leave up to a maximum payment equivalent to sixty days.

g. Fund Balance

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

h. Interest Rate Swap Agreements

The State has entered into interest rate swap agreements to modify interest rates on outstanding debt. Other than the net interest expenditures resulting from these agreements, no amounts are recorded in the financial statements (see Note 16).

i. Interfund Activities

In the fund financial statements, interfund activities are reported as follows:

Interfund receivables/payables - The current portion of interfund loans outstanding at the end of the fiscal year is reported as due from/to other funds; the noncurrent portion as advances to/from other funds. All other outstanding balances between funds are reported as due from/to other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Interfund services provided and used - Sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. In the statement of activities, transactions between

the primary government and its discretely presented component units are reported as revenues and expenses, unless they represent repayments of loans or similar activities.

Interfund transfers - Flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

Interfund reimbursements - Repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are not reported in the financial statements.

j. Food Stamps

Food stamps distributed to recipients during the year are recognized as both an expenditure and a revenue in the governmental fund financial statements.

k. External Investment Pool

Assets and liabilities of the Short-Term Investment Fund are allocated ratably to the External Investment Pool Fund based on its investment in the Short-Term Investment Fund (see Note 4). Pool income is determined based on distributions made to the pool's participants.

k. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Note 2 Budgetary Basis vs. GAAP

The following is a reconciliation of the net change in fund balances as reported in the budgetary and GAAP basis of accounting statements of revenues, expenditures, and changes in fund balances (amounts in thousands):

	General Fund	Transportation Fund
Net change in fund balances (budgetary basis)	\$ (817,085)	\$ 53,961
Adjustments:		
Increases (decreases) in revenue accruals:		
Receivables and Other Assets	46,016	(4,029)
(Increases) decreases in expenditure accruals:		
Accounts Payable and Other Liabilities	69,405	(4,996)
Salaries and Fringe Benefits Payable	(15,620)	(615)
Increases (decreases) in continuing appropriations	(543,806)	(26,556)
Net change in fund balances (GAAP basis)	\$(1,261,090)	\$ 17,765

The major differences between the budgetary (legal) and the GAAP (generally accepted accounting principles) basis of accounting as reconciled above are as follows:

1. Revenues are recorded when received in cash except for certain year-end accruals (budgetary basis) as opposed to revenues being recorded when they are susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budgetary basis) as opposed to expenditures being recorded when the related fund liability is incurred (GAAP basis).
3. For budgetary reporting purposes, continuing appropriations are reported with other financing sources and uses in the

determination of the budgetary surplus or deficit to more fully demonstrate compliance with authorized spending for the year. For GAAP purposes, continuing appropriations are excluded from operations and reported as reserved fund balance.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Note 3 Fund Deficits

The following funds have deficit balances at June 30, 2002, none of which constitutes a violation of statutory provisions (amounts in thousands).

General Fund	\$ 434,926
Special Revenue	
Consumer Counsel & Public Utility Control	2,076
Capital Projects	
State Facilities	205,449
Enterprise	
Second Injury & Compensation Assurance	96,075
Bradley Parking Garage	8,519

The General Fund and Consumer Counsel and Public Utility Control Fund deficits has been addressed by Public Act 93-402, subsequently modified by Public Act 99-1 (June special session), which among other things, requires any GAAP deficits for budgeted funds existing as of June 30, 2003 to be amortized in fifteen equal increments beginning with the annual budget for fiscal year 2004-2005.

The State Facilities deficit will be eliminated in the future by the sale of bonds.

The deficit balance in the Second Injury and Compensation Assurance fund will be eliminated in the future by higher employer assessments.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Note 4 Cash Deposits and Investments

In this note, the State's deposits and investments are classified in categories of "custodial credit risk." This is the risk that the State will not be able to (a) recover deposits if the depository bank fails or (b) recover the value of investments or collateral securities that are in the custody of an outside party if the counterparty to the investment or deposit transaction fails. Classification in category 1 means that the exposure of deposits or investments to potential custodial credit risk is low. The level of potential custodial credit risk is higher for those deposits or investments classified in category 2 and highest for those in category 3.

Cash Deposits (amounts in million)

At June 30, 2002, the reported amount of the State's deposits was \$(194.6) for the Primary Government and Fiduciary Funds (pooled deposits) and \$11.4 for the Component Units. The corresponding bank balance for such deposits was \$126.4 for the Primary Government and Fiduciary Funds and \$16.6 for the Component Units. Of the bank balance for the Primary Government and Fiduciary Funds \$40.9 was insured by the Federal Deposit Insurance Corporation or held in the State's name (Category 1) and \$85.5 was uninsured and uncollateralized (Category 3). Of the bank balance for the Component Units, \$4.5 was insured by the Federal Deposit Insurance Corporation or held in the Component Units' name (Category 1), and \$12.1 was uninsured and uncollateralized (Category 3).

Category 3 deposits include some deposits that are collateralized as required by state statute. Under the statute, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to 10 percent, 25 percent, 100 percent, or 120 percent of its public deposits. However, the collateral is held in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

Investments

The State Treasurer is the chief fiscal officer of State government and is responsible for the prudent management and investment of monies of State funds and agencies as well as monies of pension and other trust funds. The State Treasurer with the advice of the Investment Advisory Council, whose members include outside investment professionals and pension beneficiaries, establishes investment policies and guidelines. Currently, the State Treasurer manages one Short-Term Investment Fund ("STIF") and seven Combined Investment Funds (the "CIFS"), including one international investment fund.

STIF is a money market investment pool in which the State, municipal entities, and political subdivisions of the State are eligible to invest. The State Treasurer is authorized to invest monies of STIF in United States government and agency obligations, certificates of deposit, commercial paper, corporate bonds, savings accounts, bankers' acceptances, repurchase agreements, asset-backed securities, and student loans. STIF's investments are reported at amortized cost (which approximates fair value) and are disclosed in the investment schedules.

For financial reporting purposes, STIF is considered to be a mixed investment pool - a pool having external and internal portions. The external portion of STIF (i.e. the portion that belongs to participants which are not part of the State's financial reporting entity) is reported as an investment trust fund (External Investment Pool fund) in the fiduciary fund financial statements. The internal portion of STIF (i.e., the portion that belongs to participants that are part of the State's financial reporting entity) is not reported in the financial statements. Instead, each fund's investment in the internal portion of STIF is reported as "cash equivalents" in the government-wide and fund financial statements.

The CIFS are open-ended, unitized portfolios in which the State pension trust and permanent funds are eligible to invest. The State pension trust and permanent funds own the units of the CIFS. The State Treasurer is also

authorized to invest monies of the CIFS in common stock, commercial equity real estate, foreign companies stocks and bonds, commercial and residential mortgages, foreign governments' obligations, mortgage-backed securities, and venture capital partnerships. CIFS' investments are reported at fair value and are disclosed in the investment schedules.

For financial reporting purposes, the CIFS are considered to be internal investment pools and are not reported in the financial statements. Instead, each fund's equity in the CIFS is reported as investments in the government-wide and fund financial statements.

Complete financial information about STIF and the CIFS can be obtained from financial statements issued by the State Treasurer. As of June 30, 2002, investments consisted of the following (amounts in thousands):

	Primary Government			
	Governmental	Business-Type	Component	Fiduciary
	Activities	Activities	Units	Funds
Equity in CIFS	\$ 119,684	\$ 545	\$ -	\$ 18,585,924
Other Investments	61,721	250,125	120,098	1,245,812
Total Investments-current	\$ 181,405	\$ 250,670	\$ 120,098	\$ 19,831,736
Other Investments-noncurrent	\$ -	\$ 448,063	\$ 234,383	\$ -

The following investment schedules disclose the reported amount and fair value of the State's investment in total and by investment type as of June 30, 2002. Further, the reported amounts of these investments are classified according to the following categories of custodial credit risk. Category 1 includes investments that are insured or registered or for which the securities are held by the State or its agent in the State's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the State's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the State's name.

Investments-Primary Government and Fiduciary Funds
Short-Term Investment Fund
(amounts in thousands)

Investment Type	Reported Amount Category 1	Fair Value
Certificates of Deposit-Negotiable	\$ 100,000	\$ 100,000
Commercial Paper	2,055,921	2,056,072
Corporate Notes	311,688	311,807
Bankers' Acceptances	38,913	39,048
Bank Notes	363,707	364,012
Federal Agency Securities	124,557	125,149
Extendable Commercial Notes	348,770	348,770
Repurchase Agreements	200,000	200,000
Total Investments	\$ 3,543,556	\$ 3,544,858

Investments-Primary Government and Fiduciary Funds
Combined Investment Funds
(amounts in thousands)

Investment Type	Reported Amount (Fair Value)		Total
	Category 1	Category 3	
Certificates of Deposit-Negotiable	\$ -	\$ 310,422	\$ 310,422
Asset Backed Securities	652,860	-	652,860
U.S. Government and Agency Securities:			-
Not on Securities Loan	1,490,373	-	1,490,373
On Securities Loan for Securities or			

Letter of Credit Collateral	-	52,128	52,128
Mortgage Backed Securities	711,836	-	711,836
Corporate Debt	3,040,199	1,050,944	4,091,143
Convertible Securities	211,080	-	211,080
U. S. Corporate Stock:			-
Not on Securities Loan	6,459,089	-	6,459,089
On Securities Loan for Securities or			
Letter of Credit Collateral	-	12,040	12,040
International Equity Securities:			
Not on Securities Loan	1,699,773	-	1,699,773
On Securities Loan for Securities or			
Letter of Credit Collateral	-	3,329	3,329
Short-term Investments	-	224,868	224,868
Preferred Stock	101,279	-	101,279
	\$ 14,366,489	\$ 1,653,731	\$ 16,020,220
Investments not categorized			
because they are not evidenced by securities			
that exist in physical or book entry form.			
Real Estate Investment Trusts			55,936
Mutual Funds			33,833
Limited Liability Corporations			33,972
Trusts			51,047
Limited Partnerships			2,548,141
Annuities			12,959
Securities Held by Brokers-Dealers under Sec. Loans for Cash Collateral:			
U.S. Government and Agency Securities			674,561
U. S. Corporate Stock			246,453
International Equity Securities			454,495
Domestic Fixed Securities			165,436
International Fixed Securities			3,823
			\$ 20,300,876

The pension trust funds own approximately 100 percent of the investments that are in categories 1 and 3.

The CIFS account for the purchase and sale of investments using "trade date" accounting - investments are increased or decreased on the date the purchase or sales order is made although the investments are not received or delivered until a later date (settlement date). Thus, the above schedule was prepared taking into account unsettled sales and purchases of investments. This means that investments under unsettled sales are included in the schedule, because the investments are still subject to custodial credit risk that could result in losses prior to settlement. Conversely, investments under unsettled purchases are excluded from the schedule, because the investments are still in the hands of the dealers.

Other Investments-Primary Government
(amounts in thousands)

Investment Type	Reported Amount		Total	Fair Value
	Category 1	Category 2		
Collateralized Investment Agreements	\$ 378,329	\$ -	\$ 378,329	\$ 378,329
State/Municipal Bonds	164,535	-	164,535	163,125
U.S. Government & Agency Securities	445,094	-	445,094	445,094
Common Stock	25,220	960	26,180	26,180
Corporate Bonds	10,044	37,838	47,882	47,882
Other	5,216	-	5,216	5,216
	\$ 1,028,438	\$ 38,798	\$ 1,067,236	\$ 1,065,826

Investments not categorized because they are not evidenced

by securities that exist in physical or book entry form:

Annuity Contracts	470,455	470,455
Mutual Funds	111,167	111,167
Guaranteed Investment Contracts	8,719	8,719
Tax Exempt Proceeds Fund	84,115	84,115
Other	5,839	5,839
Total Investments	\$ 1,747,531	\$ 1,746,121

The Higher Education fund owns all of the investments that are in Category No. 2.

Other Investments-Component Units

(amounts in thousands)

Investment Type	Reported Amount		Total	Fair Value
	Category 1	Category 3		
U.S. Government & Agency Securities	\$ 32,566	\$ 6,195	\$ 38,761	\$ 38,776
Common Stock	76,343	-	76,343	76,343
Repurchase Agreements	86,375	-	86,375	86,375
Collateralized Investment Agreements	2,288	12,583	14,871	14,871
Mortgage Backed Securities and Obligations	431,046	-	431,046	431,046
Corporate Debt	22,388	-	22,388	22,388
Other	44,698	2	44,700	44,700
	\$ 695,704	\$ 18,780	714,484	714,499

Investments not categorized because they are not evidenced

by securities that exist in physical or book entry form:

Guaranteed Investment Contracts	47,117	47,117
Fidelity Funds	333,620	333,620
Limited Partnerships	9,574	9,574
Other	20,300	20,300
Total Investments	\$ 1,125,095	\$ 1,125,110

CHFA owns approximately 86 percent and CHESLA owns approximately 55 percent of the investments that are in categories 1 and 3, respectively.

Derivatives

GASB Technical Bulletin Number 94-1 defines derivatives as contracts whose value depends on, or derives from, the value of an underlying asset, reference rate, or index. According to this definition, the following State's investments or contracts are considered to be derivatives:

- Short-Term Investment Fund - Adjustable-rate federal agency, corporate notes, and bank notes whose interest rates vary directly with short-term money market indices and are reset daily, weekly, monthly, quarterly, or semi-annually.
- Combined Investment Funds - Adjustable-rate securities, asset backed securities, indexed Treasury securities, option contracts, mortgage backed securities (including interest-only strips), and foreign exchange contracts.

The State invests in derivatives to enhance investment returns or as in the case of foreign exchange contracts to facilitate trade settlements and to serve as foreign currency hedges.

The Mutual Fixed Income Fund (a Combined Investment Fund) invests in mortgage backed securities (MBSs), asset backed securities (ABSs), and interest-only strips. MBS's and ABS's are bonds issued by a special purpose trust that collects payments on an underlying collateral pool of mortgages or other loans and remits payments to bondholders. The bonds are structured in a series of classes or tranches, each with a different coupon rate and stated maturity date. Interest payments to the bondholders are made in accordance with the trust indentures and amounts received from borrowers in excess of interest payments and expenses are used to amortize the principal on the bonds. Such principal payments are made to retire the tranches of bonds in order of their stated maturity.

Because mortgage prepayments are largely dependent on market interest rates, the ultimate maturity date of the bonds is unpredictable and is sensitive to changes in market interest rates, but is generally prior to the stated maturity date. At June 30, 2002, the fund held MBSs of \$629 million and ABSs of \$182 million.

Interest-only strips (IOs) are a specialized type of mortgage backed securities. The cash flow on these investments is derived from the interest payments on the underlying mortgage loans. Prepayments on underlying loans curtail these interest payments, reducing the value of the IOs and, as such, these instruments are extremely sensitive to changes in interest rates, which encourage or discourage such prepayments. As of June 30, 2002, the IOs had a value of \$7 million.

From time to time, the International Stock, Mutual Fixed Income, and Private Investment Funds (Combined Investment Funds) utilize foreign currency contracts to facilitate transactions in foreign securities and to manage the funds currency exposure. Contracts to buy are used to acquire exposure to foreign currencies, while contracts to sell are used to hedge the funds' investments against currency fluctuations. Losses may arise from changes in the value of foreign currencies or failure of the counterparties to perform under the contracts' terms. As of June 30, 2002, the International Stock Fund reported an unrealized loss of \$47 million from open forward currency contracts.

Security Lending Transactions

Certain of the Combined Investment Funds are permitted by State statute to lend its securities through a lending agent to authorized broker-dealers and banks for collateral with a simultaneous agreement to return the collateral for the same securities in the future.

During the year, the funds' lending agent lent securities similar to the types on loan at year-end and received cash

(United States and foreign currency), U.S. Government securities, sovereign debt rated A or better, convertible bonds, and irrevocable bank letters of credit as collateral. The funds' lending agent did not have the ability to pledge or sell collateral securities delivered absent borrower default. Borrowers were required to deliver collateral for each loan equal to: (1) in the case of loaned securities denominated in United States dollars or whose primary trading market was located in the United States or sovereign debt issued by foreign governments, 102 percent of the market value of the loaned securities; and (2) in the case of loaned securities not denominated in United States dollars or whose primary trading market was not located in the United States, 105 percent of the market value of the loaned securities. The funds did not impose any restrictions during the fiscal year on the amount of loans that the lending agent made on their behalf and the lending agent indemnified the funds by agreeing to purchase replacement securities, or return the cash collateral thereof in the event any borrowers failed to return the loaned securities or pay distributions thereon. At year-end, the funds had no credit exposure to the borrowers, because the amounts the funds owed the borrowers exceeded the amounts the borrowers owed the funds.

All securities loans can be terminated on demand by either the funds or the borrowers. Cash collateral is invested by the funds' lending agent, and the average duration of the investments can not exceed (a) 120 days or (b) the average duration of the loans by more than 45 days. At year-end, the average duration of the collateral investments was 55 days; the average duration of the loans was unknown, although it is assumed to remain at one day.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Note 5 Receivables

As of June 30, 2002, receivables consisted of the following:

	Primary Government		Component
	Governmental	Business-Type	Units
	Activities	Activities	
Taxes	\$ 921,097	\$ -	\$ -
Accounts	1,173,456	364,740	19,887
Loans	-	130,762	126,232
Other Governments	689,658	14,014	-
Interest	4,705	-	-
Other	25,719	26,974	24,375
Total Receivables	2,814,635	536,490	170,494
Allowance for doubtful accounts	(972,703)	(85,536)	(4,606)
Receivables, net	\$ 1,841,932	\$ 450,954	\$ 165,888

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Note 6 Taxes Receivable

Taxes receivable consisted of the following as of June 30, 2002 (amounts in thousands):

	Governmental Activities		
	General	Transportation	
	Fund	Fund	Total
Sales and Use	\$ 549,016	\$ -	\$ 549,016
Income Taxes	161,858	-	161,858
Corporations	89,869	-	89,869
Gasoline and Special Fuel	-	38,281	38,281
Various Other	82,073	-	82,073
Total Taxes Receivable	882,816	38,281	921,097
Allowance for Uncollectibles	(19,204)	(197)	(19,401)
Taxes Receivable, net	\$ 863,612	\$ 38,084	\$ 901,696

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Note 7 Loans Receivable

Loans receivable for the primary government and its component units, as of June 30, 2002, consisted of the following (amounts in thousands):

	Primary Government		Component
	Governmental	Business-Type	Units
	Activities	Activities	
Mortgage	\$ -	\$ -	\$ 2,918,424
Industrial	-	-	116,947
Housing	202,535	-	-
Clean Water	51,076	468,589	-
Education	-	20,340	80,135
Other	161,705	18,673	-
Less Allowance for Losses	(9,044)	(2,559)	(46,798)
Loans Receivable Net	\$ 406,272	\$505,043	\$ 3,068,708

The mortgage loan program consists of home, multi-family, and construction loan mortgages made by the Connecticut Housing Finance Authority. Most home loans are insured by the Federal Housing Administration or guaranteed by the Veterans Administration. In addition, some home and multi-family loans are insured or guaranteed by private insurers, and the State has guaranteed the repayment of up to \$5 million for the Authority's Residential Mortgage Guarantee Program. Permanent loans earn interest at rates ranging from 0 percent to 13.5 percent and have initial terms of 10 to 40 years. Construction loans earn interest at rates ranging from 0 percent to 9.0 percent. Upon completion of each development, the related permanent mortgage loan, which will generally be provided by the Authority, will be payable over 30 to 40 years at annual interest rates ranging from 0 percent to 9.0 percent.

The Clean Water fund loans funds to qualified municipalities for planning, design, and construction of water quality projects. These loans are payable over a 20 year period at an annual interest rate of 2 percent and are secured by the full faith and credit or revenue pledges of the municipalities, or both.

The industrial loan program consists of loans made by the Connecticut Development Authority to finance the purchase of land, buildings, and equipment by qualified applicants and to finance other economic development programs of the Authority. These loans are collateralized by assets acquired from the proceeds of the related insurance fund created by the Authority and by the faith and credit pledged by the State. This insurance fund had net assets of \$7.9 million at year-end. Thus, the State is contingently liable in the event of any defaulted loans that could not be paid out of the assets of the insurance fund.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Note 8 Restricted Assets

Restricted assets are defined as resources that are restricted by legal or contractual requirements. As of June 30, 2002, restricted assets for the primary government and its component units were comprised of the following (amounts in thousands):

	Primary Government		Component
	Governmental	Business-Type	Units
	Activities	Activities	
Cash & Cash Equivalents	\$ 590,374	\$ 80,647	\$ 95,105
Investments	-	620,363	779,361
Interest Receivable	-	2,055	1,963
Other	-	2,059	-
Total	\$ 590,374	\$ 705,124	\$ 876,429

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Note 9 Capital Assets

Capital asset activity for the year was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities				
Capital Assets not being Depreciated:				
Land	\$ 435,227	\$ 37,904	\$ 5,649	\$ 467,482
Land-Infrastructure	384,653	11,467	-	396,120
Construction in Progress-Infrastructure	885,615	429,683	317,405	997,893
Construction in Progress	231,115	312,664	293,336	250,443
Total Capital Assets not being Depreciated	1,936,610	791,718	616,390	2,111,938
Other Capital Assets:				
Buildings	2,095,991	294,124	32,290	2,357,825
Improvements Other than Buildings	279,061	16,791	132	295,720
Equipment	1,263,839	128,400	40,964	1,351,275
Infrastructure	8,733,350	317,405	-	9,050,755
Total Other Capital Assets at Historical Cost	12,372,241	756,720	73,386	13,055,575
Less: Accumulated Depreciation For:				
Buildings	1,573,056	115,700	32,290	1,656,466
Improvements Other than Buildings	151,346	99,070	132	250,284
Equipment	704,483	140,398	40,964	803,917
Infrastructure	2,938,776	392,266	-	3,331,042
Total Accumulated Depreciation	5,367,661	747,434 *	73,386	6,041,709
Other Capital Assets, Net	7,004,580	9,286	-	7,013,866
Governmental Activities, Capital Assets, Net	\$ 8,941,190	\$ 801,004	\$ 616,390	\$ 9,125,804

* Depreciation expense was charged to functions as follows:

Governmental Activities:

Legislative	\$ 6,196
General Government	13,594
Regulation and Protection	33,188
Conservation and Development	9,060
Health and Hospitals	9,766
Transportation	603,451
Human Services	2,941
Education, Libraries and Museums	14,845
Corrections	30,333
Judicial	13,507

Capital assets held by the government's internal service funds are charge to the various functions based on the usage of the assets

Total Depreciation Expense **\$ 747,434**

	Beginning Balance	Additions	Retirements	Ending Balance
Business-Type Activities				
Capital Assets not being Depreciated:				
Land	\$ 43,997	\$ 2,766	\$ 685	\$ 46,078
Construction in Progress	282,317	233,143	131,224	384,236
Total Capital Assets not being Depreciated	326,314	235,909	131,909	430,314

Capital Assets being Depreciated:

Buildings	1,809,862	179,360	7,070	1,982,152
Improvements Other Than Buildings	280,372	28,197	266	308,303
Equipment	619,249	62,013	20,331	660,931
Total Other Capital Assets at Historical Cost	2,709,483	269,570	27,667	2,951,386
Less: Accumulated Depreciation For:				
Buildings	614,354	59,588	3,303	670,639
Improvements Other Than Buildings	97,449	12,311	255	109,505
Equipment	266,459	45,912	16,880	295,491
Total Accumulated Depreciation	978,262	117,811	20,438	1,075,635
Other Capital Assets, Net	1,731,221	151,759	7,229	1,875,751
Business-Type Activities, Capital Assets, Net	\$ 2,057,535	\$ 387,668	\$ 139,138	\$ 2,306,065

Capital assets of the component units consisted of the following as of June 30, 2002:

Land	\$ 27,774
Buildings	202,027
Improvements other than Buildings	40
Machinery and Equipment	225,145
Construction in Progress	30
Total Capital Assets	455,016
Accumulated Depreciation	(202,730)
Capital Assets, net	\$ 252,286

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Note 10 State Retirement Systems

The State sponsors three major public employee retirement systems: the State Employees' Retirement System (SERS)-consisting of Tier I (contributory), Tier II (noncontributory) and Tier IIA (contributory), the Teachers' Retirement System (TRS), and the Judicial Retirement System (JRS).

The State Comptroller's Retirement Division under the direction of the Connecticut State Employees Retirement Division administers SERS and JRS. The Teachers' Retirement Board administers TRS. None of the above mentioned systems issue stand-alone financial reports. However, financial statements for SERS, TRS, and JRS are presented in Note No. 12.

Plan Descriptions, Funding Policy, and Annual Pension Cost and Net Pension Obligation

Membership of each plan consisted of the following at the date of the latest actuarial evaluation:

	SERS 6/30/2002	TRS 6/30/2002	JRS 6/30/2002
Retirees and beneficiaries receiving benefits	32,354	22,303	210
Terminated plan members entitled to but not yet receiving benefits	1,496	1,508	1
Active plan members	54,287	48,902	220
Total	88,137	72,713	431

State Employees' Retirement System

Plan Description

SERS is a single-employer defined-benefit pension plan covering substantially all of the State full-time employees who are not eligible for another State sponsored retirement plan. Plan benefits, cost-of-living adjustments, contribution requirements of plan members and the State, and other plan provisions are described in Sections 5-152 to 5-192 of the General Statutes. The plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries.

Funding Policy

The contribution requirements of plan members and the State are established and may be amended by the State legislature. Tier I Plan B and Hazardous Duty members are required to contribute 2 percent and 4 percent respectively, of their salary up to the Social Security Taxable Wage Base plus 5 percent above that level; Tier I Plan C members are required to contribute 5 percent of their annual salary; Tier IIA members are required to contribute 2 percent and hazardous duty members are required to contribute 5 percent. The State is required to contribute at an actuarially determined rate. Administrative costs of the plan are funded by the State.

Teachers Retirement System

Plan Description

TRS is a single-employer defined-benefit pension plan covering any teacher, principal, superintendent or supervisor engaged in service of public schools in the State. Plan benefits, cost-of-living allowances, required contributions of plan members and the State, and other plan provisions are described in Sections 10-183b to 10-

183pp of the General Statutes. The plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries.

Funding Policy

The contribution requirements of plan members and the State are established and may be amended by the State legislature. Plan members are required to contribute 6 percent of their annual salary. The State is required to contribute at an actuarially determined rate. For fiscal year 2002, the annual required contribution (ARC) was \$210.7 million; however, the State contributed \$204.5 million to the plan, reflecting a reduction of \$6.2 million by the legislature to the State's TRS appropriation. Administrative costs of the plan are funded by the State.

Judicial Retirement System

Plan Description

JRS is a single-employer defined-benefit pension plan covering any appointed judge or compensation commissioner in the State. Plan benefits, cost-of-living allowances, required contributions of plan members and the State, and other plan provisions are described in Sections 51-49 to 51-51 of the General Statutes. The plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries.

Funding Policy

The contribution requirements of plan members and the State are established and may be amended by the State legislature. Plan members are required to contribute 6 percent of their annual salary. The State is required to contribute at an actuarially determined rate. Administrative costs of the plan are funded by the State.

Annual Pension Cost, Net Pension Obligation, and Related Information

The State's annual pension cost and net pension obligation to SERS, TRS, and JRS for the current year were as follows (amounts in thousands):

	SERS	TRS	JRS
Annual required contribution	\$ 415,493	\$ 210,701	\$ 9,598
Interest on net pension obligation	166,054	89,954	3
Adjustment to annual required contribution	(102,046)	(54,251)	(2)
Annual pension cost	479,501	246,404	9,599
Contributions made	415,493	204,511	9,598
Increase (decrease) in net pension obligation	64,008	41,893	1
Net pension obligation beginning of year	1,953,580	1,057,828	39
Net pension obligation end of year	\$ 2,017,588	\$ 1,099,721	\$ 40

Three-year trend information is as follows (amounts in thousands):

	Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
SERS	2000	405,927	84.4%	1,889,886
	2001	439,317	85.5%	1,953,580
	2002	479,501	86.7%	2,017,588

TRS	2000	268,857	76.0%	985,967
	2001	286,527	74.9%	1,057,828
	2002	246,404	83.0%	1,099,721
JRS	2000	9,326	100%	37
	2001	9,839	100%	39
	2002	9,599	100%	40

Defined Contribution Plan

The State also sponsors the Connecticut Alternate Retirement Program (CARP), a defined contribution plan. CARP is administered by the State Comptroller's Retirement Office under the direction of the Connecticut State Employees Retirement Division. Plan provisions, including contribution requirements of plan members and the State, are described in Section 5-156 of the General Statutes.

Unclassified employees at any of the units of the Connecticut State System of Higher Education are eligible to participate in the plan. Plan members are required to contribute 5 percent of their annual salaries. The State is required to contribute 8 percent of covered salary. During the year, plan members and the State contributed \$20.7 million and \$33.9 million, respectively.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Note 11 Other Retirement Systems Administered by the State of Connecticut

The State acts solely as the administrator and custodian of the assets of the Connecticut Municipal Employees' Retirement System (CMERS) and the Connecticut Probate Judges and Employees Retirement System (CPJERS). The State makes no contribution to and has only a fiduciary responsibility for these funds. None of the above mentioned systems issue stand-alone financial reports. However, financial statements for CMERS and CPJERS are presented in Note No. 12.

Plan Descriptions and Contribution Information

Membership of each plan consisted of the following at the date of the latest actuarial valuation:

	CMERS 6/30/2001	CPJERS 12/31/2001
Retirees and beneficiaries receiving benefits	4,572	227
Terminated plan members entitled to but not receiving benefits	186	29
Active plan members	8,233	363
Total	12,991	619
Number of participating employers	164	1

Connecticut Municipal Employees' Retirement System

Plan Description

CMERS is a cost-sharing multiple-employer defined benefit pension plan that covers fire, police, and other personnel (except teachers) of participating municipalities in the State. Plan benefits, cost-of-living adjustments, contribution requirements of plan members and participating municipalities, and other plan provisions are described in Chapters 7-425 to 7-451 of the General Statutes. The plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries.

Contributions

Plan members are required to contribute 2.25 percent to 5.0 percent of their annual salary. Participating municipalities are required to contribute at an actuarial determined rate. The participating municipalities fund administrative costs of the plan.

Connecticut Probate Judges and Employees' Retirement System

Plan Description

CPJERS is a single-employer defined benefit pension plan that covers judges and employees of probate courts in the State. Plan benefits, cost-of-living adjustments, required contributions of plan members and the probate court system, and other plan provisions are described in Chapters 45a-34 to 45a-56 of the General statutes. The plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries.

Contributions

Plan members are required to contribute 1.0 percent to 3.75 percent of their annual salary. The probate court system is required to contribute at an actuarial determined rate. Administrative costs of the plan are funded by

the probate court system.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Note 12 Pension Trust Funds Financial Statements

The financial statements of the pension trust funds are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. State contributions are recognized in the period in which the contributions are appropriated. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Investment income and related expenses of the Combined Investment Funds are allocated ratably to the pension trust funds based on each fund's equity in the Combined Investment Funds. (see [Note No. 4](#))

Statement of Fiduciary Net Assets (000's)

	Connecticut						
	State Employees	State Teachers	Judicial	Municipal Employees	Probate Judges	Other	Total
Assets							
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 711	\$ 1	\$ 73	\$ 785
Receivables:							
Accounts, Net of Allowances	2,007	7,346	8	1,997	3	10	11,371
From Other Governments	-	1,637	-	-	-	-	1,637
From Other Funds	2,258	-	-	-	-	-	2,258
Interest	266	440	15	106	6	-	833
Investments	7,090,509	10,107,302	125,264	1,184,508	60,924	615	18,569,122
Securities Lending Collateral	604,496	854,494	10,287	97,013	5,509	38	1,571,837
Total Assets	7,699,536	10,971,219	135,574	1,284,335	66,443	736	20,157,843
Liabilities							
Accounts Payable and Accrued Liabilities	25	-	-	-	-	-	25
Securities Lending Obligation	604,496	854,494	10,287	97,013	5,509	38	1,571,837
Due to Other Funds	1,612	13,306	-	-	-	-	14,918
Total Liabilities	606,133	867,800	10,287	97,013	5,509	38	1,586,780
Net Assets							
Held in Trust For Employee							
Pension Benefits	7,093,403	10,103,419	125,287	1,187,322	60,934	698	18,571,063
Total Net Assets	\$ 7,093,403	\$ 10,103,419	\$ 125,287	\$ 1,187,322	\$ 60,934	\$ 698	\$ 18,571,063

Statement of Changes in Fiduciary Net Assets (000's)

	Connecticut						
	State Employees	State Teachers	Judicial	Municipal Employees	Probate Judges	Other	Total
Additions							
Contributions:							
Plan Members	\$ 49,577	\$ 179,687	\$ 1,331	\$ 11,198	\$ 228	\$ 32	\$ 242,053
State	415,493	204,511	9,598	-	-	-	629,602
Municipalities	-	3,758	-	15,295	-	-	19,053
Total Contributions	465,070	387,956	10,929	26,493	228	32	890,708
Investment Income (Loss)	(472,978)	(679,166)	(7,344)	(76,488)	(3,581)	(49)	(1,239,606)
Less: Investment Expenses	(35,618)	(51,169)	(553)	(5,760)	(270)	(4)	(93,374)
Net Investment Income (Loss)	(508,596)	(730,335)	(7,897)	(82,248)	(3,851)	(53)	(1,332,980)
Transfers In	-	-	-	-	1,137	-	1,137
Other	-	-	-	-	-	5	5
Total Additions	(43,526)	(342,379)	3,032	(55,755)	(2,486)	(16)	(441,130)

Deductions

Administrative Expense	272	-	7	7	-	-	286
Benefit Payments and Refunds	651,201	761,288	13,509	57,265	2,111	93	1,485,467
Other	2,701	-	-	-	1,173	-	3,874
Total Deductions	654,174	761,288	13,516	57,272	3,284	93	1,489,627
Changes in Net Assets	(697,700)	(1,103,667)	(10,484)	(113,027)	(5,770)	(109)	(1,930,757)
Net Assets Held in Trust For							
Employee Pension Benefits:							
Beginning of Year	7,791,103	11,207,086	135,771	1,300,349	66,704	807	20,501,820
End of Year	\$ 7,093,403	\$ 10,103,419	\$ 125,287	\$ 1,187,322	\$ 60,934	\$ 698	\$ 18,571,063

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Note 13 Postemployment Benefits

In addition to the pension benefits described in Note 10, the State provides postretirement health care and life insurance benefits, in accordance with State statutes, Sections 5-257(d) and 5-259(a), to all employees who retire from the State.

As of June 30, 2002, 32,602 retirees of the State Employees Retirement System meet those eligibility requirements. When employees retire, the State may pay up to 100 percent of their health care insurance premium cost (including dependent's coverage) based on the plan chosen by the employee. In addition, the State pays 100 percent of the premium cost for a portion of the employees' life insurance, continued after retirement. The amount of life insurance, continued at no cost to the retiree, is determined based on the number of years of service that the retiree had with the State at time of retirement as follows: (a) if the retiree had 25 years or more of service, the amount of insurance will be one-half of the amount of insurance for which the retiree was insured immediately prior to retirement, but the reduced amount cannot be less than \$7,500 (b) if the retiree had less than 25 years of service, the amount of insurance will be the proportionate amount that such years of service is to 25, rounded to the nearest \$100. The State finances the cost of postretirement health care and life insurance benefits on a pay-as-you-go basis through an appropriation in the General Fund. During the year ended June 30, 2002, \$205 million was paid in postretirement benefits.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Note 14 Capital and Operating Leases

a. State as Lessor

The State leases building space, land, and equipment to private individuals. The minimum future lease revenues for the next five years and thereafter are as follows (amounts in thousands):

2003	31,917
2004	31,661
2005	26,208
2006	21,957
2007	22,313
Thereafter	4,470
Total	\$ 138,526

Contingent revenues for the year ended June 30, 2002, were \$2.9 million.

State as Lessee

Obligations under capital and operating leases as of June 30, 2002, were as follows (amounts in thousands):

	Noncancelable Operating Leases	Capital Leases
2003	\$ 20,581	\$ 14,150
2004	20,269	10,413
2005	17,357	8,347
2006	13,619	7,464
2007	8,235	7,189
2008-2012	23,825	28,965
2013-2017	-	14,184
2018-2022	-	6,150
2023-2027	-	6,124
2028-2032	-	4,870
Total minimum lease payments	\$ 103,886	107,856
Less: Amount representing interest costs		30,960
Present value of minimum lease payments		\$ 76,896

Minimum capital lease payments were discounted using an interest rate of approximately 6 percent.

Rental and lease payments for equipment charged to expenditures during the year ended June 30, 2002, totaled \$43.7 million.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Note 15 Changes in General Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2002, (amounts in thousands):

Governmental Activities	Balance July 1, 2001	Additions	Reductions	Balance June 30, 2002	Amounts due within one year
Bonds:					
General Obligation	\$ 7,812,055	\$ 1,916,495	\$ 1,201,114	\$ 8,527,436	\$ 677,267
Transportation	3,100,121	821,130	746,348	3,174,903	225,350
	10,912,176	2,737,625	1,947,462	11,702,339	902,617
Plus/(Less) premiums, discounts and deferred amounts	-	64,693	1,596	63,097	-
Total Bonds	10,912,176	2,802,318	1,949,058	11,765,436	902,617
Other Liabilities:					
Net Pension Obligation	3,011,447	735,504	629,602	3,117,349	-
Compensated Absences	314,015	43,009	15,985	341,039	10,451
Workers' Compensation	326,417	5,845	87,079	245,183	55,344
Capital Leases	75,314	6,989	5,407	76,896	2,334
Claims and Judgments	13,110	-	5,385	7,725	6,212
Total Other Liabilities	3,740,303	791,347	743,458	3,788,192	74,341
Governmental Activities Long-Term Liabilities	\$ 14,652,479	\$ 3,593,665	\$ 2,692,516	\$ 15,553,628	\$ 976,958
In prior years, the General and Transportation funds have been used to liquidate other liabilities.					
Business-Type Activities					
Revenue Bonds	\$ 1,464,120	\$ 191,745	\$ 151,066	\$ 1,504,799	\$ 61,980
Plus/(Less) premiums, discounts and deferred amounts	-	7,783	1,708	6,075	-
Total Revenue Bonds	1,464,120	199,528	152,774	1,510,874	61,980
Other Liabilities:					
Lottery Prizes	514,182	-	40,299	473,883	64,666
Compensated Absences	-	-	-	80,773	24,421
Other	-	-	-	52,118	17,869
Total Other Liabilities	514,182	-	40,299	606,774	106,956
Business-Type Long-Term Liabilities	\$ 1,978,302	\$ 199,528	\$ 193,073	\$ 2,117,648	\$ 168,936

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Note 16 Bonded Debt

a. Primary Government - Governmental Activities

General Obligation Bonds

General Obligation bonds are those bonds that are paid out of the revenues of the General fund and that are supported by the full faith and credit of the State. General obligation bonds outstanding and bonds authorized but unissued at June 30, 2002, were as follows (amounts in thousands):

Purpose of Bonds	Final Maturity Dates	Original Interest Rates	Amount Outstanding	Authorized But Unissued
Capital Improvements	2002-2022	2.55-7.525%	\$ 2,315,390	\$ 597,460
School Construction	2002-2022	3-9.75%	1,304,618	48,876
Municipal & Other				
Grants & Loans	200-2021	3-8.4%	1,742,944	712,160
Elderly Housing	2003-2011	7-7.5%	19,905	-
Rental Housing	2002	5.25%	80,000	-
Elimination of Water Pollution	2002-2022	4.1-7.525%	289,076	104,950
General Obligation Refunding	2002-2019	2.4-7%	2,107,832	-
Miscellaneous	2002-2031	3.5-9.5%	144,093	8,131
			8,003,858	\$ 1,471,577
Accretion-Various Capital Appreciation Bonds			523,578	
		Total	\$ 8,527,436	

Future amounts (in thousands) needed to pay principal and interest on general obligation bonds outstanding at June 30, 2002, were as follows:

Year Ending June 30,	Principal	Interest	Total
2003	\$ 677,267	\$ 428,521	\$ 1,105,788
2004	607,389	411,545	1,018,934
2005	635,773	397,006	1,032,779
2006	577,853	371,579	949,432
2007	567,995	351,490	919,485
2008-2012	2,557,173	1,394,030	3,951,203
2013-2017	1,593,158	448,441	2,041,599
2018-2022	767,228	92,511	859,739
2023-2027	13,217	3,514	16,731
2028-2032	6,805	608	7,413
Total	\$8,003,858	\$3,899,245	\$11,903,103

Transportation Related Bonds

Transportation related bonds include special tax obligation bonds and general obligation bonds that are paid out of revenues pledged or earned in the Transportation Fund. The revenue pledged or earned in the Transportation Fund to pay special tax obligation bonds is transferred to the debt service fund for retirement of principal and interest.

Transportation related bonds outstanding and bonds authorized but unissued at June 30, 2002, were as follows (amounts in thousands):

Purpose of Bonds	Final Maturity Dates	Original Interest Rates	Amount Outstanding	Authorized But Unissued
Specific Highways Infrastructure Improvements	2012-2017	4.25-5.50%	\$ 13,878	\$ 3,902
General Obligation Refunding	2003-2022	2-10.0%	3,144,908	376,663
Other	2004	5.15-9.75%	8,505	-
	2008-2013	4.6-7.525%	499	164
			3,167,790	\$ 380,729
Accretion-Various Capital Appreciation Bonds			7,113	
		Total	\$ 3,174,903	

Future amounts (in thousands) required to pay principal and interest on transportation related bonds outstanding at June 30, 2002, were as follows:

Year Ending June 30,	Principal	Interest	Total
2003	\$ 225,350	\$ 158,836	\$ 384,186
2004	226,655	149,607	376,262
2005	223,990	137,816	361,806
2006	247,735	126,054	373,789
2007	235,753	119,404	355,157
2008-2012	1,103,647	390,623	1,494,270
2013-2017	647,255	137,474	784,729
2018-2022	249,000	26,442	275,442
2023-2027	8,405	210	8,615
Total	\$ 3,167,790	\$ 1,246,466	\$ 4,414,256

Demand Bonds

Included in general obligation bonds, there are variable rate demand bonds in the amount of \$100 million. The bonds were issued in May 1997 to fund various State programs (e.g. community conservation development, economic development and manufacturing assistance, regional economic development, etc.) and will mature in the year 2014. Starting in the year 2005, the bonds will be subject to mandatory annual redemption in the principal amount of \$10 million plus accrued interest (these amounts are included in the debt service schedule). Concerning the issuance of the bonds, the State signed various agreements, including a "Remarketing Agreement" with a broker/dealer firm and a "Standby Bond Purchase Agreement" with a foreign bank.

These bonds bear interest at a weekly rate or at a flexible rate for a flexible rate period, which cannot be longer than 270 days. Initially, all bonds bear interest at the weekly rate. After that, the bonds may be converted from time to time to the flexible rate or weekly rate at the option of the State. The State's remarketing agent determines the weekly or flexible rate and applicable flexible rate period.

Bonds bearing interest at the weekly rate are subject to purchase at the option of the holder at a purchase price equal to principal and accrued interest, if any, on a minimum seven days' notice and delivery to the State's agent. In addition, all bonds are subject to mandatory purchase upon (1) conversion from the weekly rate to the flexible rate or vice versa, (2) the end of each flexible rate period, and (3) expiration or substitution of the Standby Bond Purchase Agreement. The State's remarketing agent is responsible for using its best efforts to remarket bonds properly tendered for purchase.

The Standby Bond Purchase Agreement requires the bank to purchase bonds tendered and not remarketed in an amount not to exceed the principal on the bonds plus (for bonds bearing interest at the weekly rate) accrued interest up to 35 days at an annual interest rate not to exceed 15 percent; (1) for bonds held for up to 30 days after the purchase date, the Federal funds rate plus .50 percent; (2) for bonds held for more than 30 days but less than 90 days after the purchase date, the Federal funds rate plus 1.00 percent; and (3) for bonds held for more than 90 days after the purchase date, the higher of (a) the base commercial lending rate announced from time to time by the bank, or (b) the federal funds rate plus .50 percent.

The State is required under the Standby Bond Purchase Agreement to pay to the bank a quarterly fee of .065 percent per annum of the available commitment as of each payment date. The available commitment is an amount that the bank is committed to purchase under the agreement. Such amount was initially set in the agreement at \$101.4 million and is adjusted from time to time according to provisions in the agreement. If the rating on the bonds were to fall below certain levels, or be withdrawn or suspended, the bank fee could go as high as .135 percent per annum.

The Standby Bond Purchase Agreement expires in the year 2004 and could be extended annually for another year. If certain events of default described in the agreement were to occur, the agreement could be terminated prior to that date.

Interest Rate Swap Agreements

The State has entered into interest rate swap agreements for the following outstanding debt:

Type	Face Value (000's)	Interest Rate	Maturity Date
Transportation - STO's	\$ 156,100	variable	2010
General Obligation	\$ 20,000	variable	2012

The agreements require the State to pay a fixed interest rate to the counterparties to the swaps, and the counterparties pay the State a variable interest rate that is determined by the Agreements. The State continues to make payments to the bondholders, and only the net difference in interest payments is exchanged with the counterparty. By entering into these agreements, the State has in effect exchanged its variable rate liability for a fixed rate obligation.

The agreements call for the following exchange of interest rates:

Counterparty	Face Value (000's)	Interest Rate Assumed by State	Interest Rate Assumed by Counter party
AIG Corp.	\$ 93,700	5.75%	65% of 1-month LIBOR rate
SMBC	\$ 62,400	5.71%	65% of 1-month LIBOR rate
Morgan Stanley	\$ 20,000	4.33%	CPI(adj semi-annual)

The State is exposed to the market risk relating to the relationship between the variable interest rate on the bonds (which is reset weekly) and the rate that it receives under the swap agreements. As of June 30, 2002, the AIG, SMBC, and Morgan Stanley interest rate swaps had unfavorable positions of \$10.9 million, \$7.2 million, and \$1.6 million respectively.

The counterparties guarantee the agreements, and the agreement with AIG Corp. has a collateral agreement, which goes into effect if the credit rating of AIG falls below a defined level.

b. Primary Government - Business-Type Activities

Revenue Bonds

Revenue bonds are those bonds that are paid out of resources pledged in the enterprise funds and component units.

Enterprise funds' revenue bonds outstanding at June 30, 2002, were as follows:

Funds	Final Maturity Dates	Original Interest Rates	Amount Outstanding (000's)
Higher Education	2002-2030	2.1-7%	\$ 439,120
Bradley International Airport	2012-2031	3.25-7.65%	263,935
Second Injury	2012-2015	4.5-6%	154,020
Clean Water	2011-2022	3.45-11%	564,310
Other:			
Bradley Parking Garage	2006-2024	6.125-8%	53,800
Drinking Water	2022	4-5.5%	29,614
Total Revenue Bonds			1,504,799
Plus/(Less) premiums, discounts and deferred amounts:			
Bradley International Airport			(1,012)
Clean Water			6,445
Other			642
Revenue Bonds, net			\$ 1,510,874

Bradley Airport has issued various revenue bonds to finance costs of improvements to the airport. As of June 30, 2002, the following bonds were outstanding:

- a. Airport revenue refunding bonds in the amount of \$50.8 million. These bonds were issued in October, 1992, to redeem the 1982 revenue bonds, and are secured by and payable solely from the gross operating revenues generated by the State from the operations of the airport and other receipts, funds or monies pledged in the bond indenture.
- b. On March 1, 2001 the airport issued Bradley International Airport Revenue Bonds in the amount of \$194 million and Bradley International Airport Refunding Bonds in the amount of \$19.2 million. Both bond series are secured by and payable solely from the gross operating revenues generated by the state from the operation of the airport and other receipts, funds or monies pledged in the bond indenture.

In November 1996 and in October 2000, the State issued \$100 million and \$124.1 million of Second Injury Special Assessment Revenue Bonds, respectively. The bonds were issued to reduce long-term liabilities of the fund by settling claims on a one-time lump sum basis. Additionally, the bond indenture allows for the periodic issuance of subordinated bond anticipation notes (BANs) in the form of commercial paper.

In 1994, the State of Connecticut began issuing Clean Water Fund revenue bonds. The proceeds of these bonds are to be used to provide funds to make loans to Connecticut municipalities for use in connection with the financing or refinancing of wastewater treatment projects.

Bradley Parking Garage bonds were issued in 2000 in the amount of \$53.8 million to build parking garage at the airport.

Future amounts (in thousands) needed to pay principal and interest on revenue bonds outstanding at June 30, 2002, were as follows:

Year Ending			
June 30,	Principal	Interest	Total
2003	\$ 61,980	\$ 77,800	\$ 139,780

2004	77,211	73,961	151,172
2005	86,393	69,870	156,263
2006	81,597	66,547	148,144
2007	78,336	60,784	139,120
2008-2012	439,619	239,543	679,162
2013-2017	272,949	139,918	412,867
2018-2022	203,710	78,438	282,148
2023-2027	119,700	35,102	154,802
2028-2032	83,304	9,434	92,738
Total	\$ 1,504,799	\$ 851,397	\$ 2,356,196

c. Component Units

Component units' revenue bonds outstanding at June 30, 2002, were as follows:

Component Unit	Final Maturity Date	Interest Rates	Amount Outstanding (000's)
CT Development Authority	2003-2019	4.6-8.75%	\$ 54,320
CT Housing Finance Authority	2002-2042	3.6-9.5%	3,226,505
CT Resources Recovery Authority	2001-2016	3.4-7.7%	238,979
Other:			
CT Higher Education Supplemental Loan Authority	2001-2021	4-7.5%	124,285
CT Health and Educational Facilities Authority	2001-2004	4.32-14.94%	3,730
Total Revenue Bonds			3,647,819
Less discount on CDA bonds			(74,078)
Revenue Bonds, net			\$ 3,573,741

Revenue bonds issued by the component units do not constitute a liability or debt of the State. The State is only contingently liable for those bonds as discussed below.

Connecticut Development Authority's revenue bonds are issued to finance such projects as the acquisition of land or the construction of buildings, and the purchase and installation of machinery, equipment, and pollution control facilities. The Authority finances these projects through its Self-Sustaining Bond Program and Umbrella Program. Under the Umbrella Program, bonds outstanding at June 30, 2002 were \$11.3 million. Assets totaling \$10.8 million are pledged under the terms of the bond resolution for the payment of principal and interest on these bonds until such time as it is determined that there are surplus funds as defined in the bond resolution. Bonds issued under the Self-Sustaining Bond Program are discussed in the no-commitment debt section of this note. In addition, the Authority had \$43.0 million in general obligation bonds outstanding at year-end. These bonds were issued to finance the lease of an entertainment/sports facility and the purchase of a hockey team.

Connecticut Housing Finance Authority's revenue bonds are issued to finance the purchase, development and construction of housing for low and moderate-income families and persons throughout the State. The Authority has issued bonds under a bond resolution dated 9/27/72 and an indenture dated 9/25/95. As of December 31, 2001, bonds outstanding under the bond resolution and the indenture were \$3,206.7 million and \$19.8 million, respectively. According to the bond resolution, the following assets of the Authority are pledged for the payment of the bond principal and interest (1) the proceeds from the sale of bonds, (2) all mortgage repayments with respect to long-term mortgage and construction loans financed from the Authority's general fund, and (3) all monies and securities of the Authority's general and capital reserve funds. The capital reserve fund is required to be maintained at an amount at least equal to the amount of principal, sinking fund installments, and interest maturing and becoming due in the next succeeding calendar year (\$270.0 million at 12/31/01) on all outstanding bonds. In addition, all assets of the Authority's general and capital reserve funds (\$3,980.5 million) are restricted until such time as they are determined to be "surplus funds." As of December 31, 2001, the Authority has

entered into interest rate swap agreements for \$436 million of its variable rate bonds. These agreements are similar in nature to agreements discussed in the interest rate swap agreements section of this note.

Connecticut Resources Recovery Authority's revenue bonds are issued to finance the design, development and construction of resources recovery and recycling facilities and landfills throughout the State. These bonds are paid solely from the revenues generated from the operations of the projects and other receipts, accounts and monies pledged in the bond indentures.

Connecticut Higher Education Supplemental Loan Authority's revenue bonds are issued to provide loans to students, their parents, and institutions of higher education to assist in the financing of the cost of higher education. These loans are issued through the Authority's Bond fund. According to the bond resolutions, the Authority internally accounts for each bond issue in separate funds, and additionally, the Bond fund includes individual funds and accounts as defined by each bond resolution.

Connecticut Health and Educational Facilities Authority's revenue bonds are issued to assist certain health care institutions, institutions of higher education, and qualified for-profit and not-for-profit institutions in the financing and refinancing of projects to be undertaken in relation to programs for these institutions. Prior to July 1, 1979, the Authority issued general obligation bonds for which the Authority is ultimately responsible for the payment of principal and interest when due. After July 1, 1979, the Authority has issued only special obligation bonds, which are discussed in the no-commitment debt section of this note. At year-end, the Authority had \$3.7 million in outstanding general obligation bonds.

Each Authority has established special capital reserve funds that secure all the outstanding bonds of the Authority at year-end, except as discussed next. These funds are usually maintained at an amount equal to next year's bond debt service requirements. The State may be contingently liable to restore any deficiencies that may exist in the funds in any one year in the event that the Authority is unable to do so. For the Connecticut Resources Recovery Authority, the amount of bonds outstanding at year-end that were secured by the special capital reserve funds was \$204.6 million. For the Connecticut Health and Educational Facilities Authority, the general obligation bonds outstanding at year-end were not secured by the special capital reserve funds.

Future amounts (in thousands) needed to pay principal and interest on revenue bonds outstanding at June 30, 2002, were as follows:

Year Ending June 30,	Principal	Interest	Total
2003	\$ 218,868	\$ 383,194	\$ 602,062
2004	143,992	193,792	337,784
2005	147,417	185,933	333,350
2006	151,408	177,743	329,151
2007	650,828	712,672	1,363,500
2008-2012	837,455	562,137	1,399,592
2013-2017	627,411	335,568	962,979
2018-2022	522,559	178,467	701,026
2023-2027	304,311	57,356	361,667
2028-2032	31,335	8,656	39,991
2033-2037	10,130	2,344	12,474
2038-2042	2,105	164	2,269
Total	\$ 3,647,819	\$ 2,798,026	\$ 6,445,845

No-commitment debt

Under the Self-Sustaining Bond program, The Connecticut Development Authority issues revenue bonds to finance such projects as described previously in the component unit section of this note. These bonds are paid solely from payments received from participating companies (or from proceeds of the sale of the specific projects in the event of default) and do not constitute a debt or liability of the Authority or the State. Thus, the

balances are not included in the Authority's financial statements. Total bonds outstanding for the year ended June 30, 2002 were \$1,122.3 million.

The Connecticut Resources Recovery Authority has issued several bonds to fund the construction of waste processing facilities by independent contractors/operators. These bonds are payable from a pledge of revenues derived primarily under lease or loan arrangements between the Authority and the operators. Letters of credit secure some of these bonds. The Authority does not become involved in the construction activities or the repayment of the debt (other than the portion allocable to Authority purposes). In the event of a default, neither the authority nor the State guarantees payment of the debt, except for the State contingent liability discussed below. Thus, the assets and liabilities that relate to these bond issues are not included in the Authority's financial statements. Total bonds outstanding at June 30, 2002 were \$244.3 million. Of this amount, \$68.6 million was secured by a special capital reserve fund.

The Connecticut Health and Educational Facilities Authority has issued special obligation bonds for which the principal and interest are payable solely from the revenues of the institutions. Starting in 1999, the Authority elected to remove these bonds and related restricted assets from its financial statements, except for restricted assets for which the Authority has a fiduciary responsibility. Total special obligation bonds outstanding at June 30, 2002, were \$4,066.6 million, of which \$277.7 million was secured by special capital reserve funds.

The State may be contingently liable for those bonds that are secured by special capital reserve funds as discussed previously in this section.

d. Debt Refundings

During the year, the State issued \$1,217.8 million of general obligation, special tax obligation refunding, and revenue refunding bonds with an average interest rate of 4.86% to advance refund \$1,228.9 million of general obligation, special tax obligation refunding, and revenue refunding bonds with an average interest rate of 5.53%. The proceeds of the refunding bonds were used to purchase U.S. Government securities, which were deposited in an irrevocable trust with an escrow agent to provide for all future payments on the refunded bonds. Thus, the refunded bonds are considered defeased and the liability for those bonds have been removed from the statement of net assets. The reacquisition price exceeded the carrying amount of the old debt by \$73.5 million. This amount is being netted against the new debt and amortized over the life of the new or old debt, whichever is shorter.

The State advance refunded these bonds to reduce its total debt service payments over the next fifteen years by \$155.4 million and to obtain an economic gain (difference between the present values of the debt service payments of the old and new bonds) of \$113.8 million. As of June 30, 2002, \$2,510.9 million of outstanding general obligation, special tax obligation, and revenue bonds (including prior year's refundings) are considered defeased.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Note 17 Risk Management

The risk financing and insurance program of the State is managed by the State Insurance and Risk Management Board. The Board is responsible mainly for determining the method by which the State shall insure itself against losses by the purchase of insurance to obtain the broadest coverage at the most reasonable cost, determining whether deductible provisions should be included in the insurance contract, and whenever appropriate determining whether the State shall act as self-insurer. The schedule below lists the risks of loss to which the State is exposed and the ways in which the State finances those risks.

Risk of Loss	Risk Financed by	
	Purchase of Commercial Insurance	Self- Insurance
Liability (Torts):		
-General (State buildings, parks, or grounds)		X
-Other	X	
Theft of, damage to, or destruction of assets	X	
Business interruptions	X	
Errors or omissions:		
-Professional liability	X	
-Medical malpractice (John Dempsey Hospital)		X
Injuries to employees		X
Natural disasters	X	

For the general liability risk, the State is self-insured because it has sovereign immunity. This means that the State cannot be sued for liability without its permission. For other liability risks, the State purchases commercial insurance only if the State can be held liable under a particular statute (e.g. per statute the State can be held liable for injuries suffered by a person on a defective State highway), or if it is required by a contract.

For the risk of theft, of damage to, or destruction of assets (particularly in the automobile fleet), the State insures only leased cars and vehicles valued at more than \$100 thousand.

When purchasing commercial insurance the State may retain some of the risk by assuming a deductible or self-insured retention amount in the insurance policy. This amount varies greatly because the State carries a large number of insurance policies covering various risks. The highest deductible or self-insured retention amount assumed by the State is \$25 million, which is carried in a railroad liability policy.

The State records its risk management activities in the General fund, except for activities related to the medical malpractice risk which are recorded in the Higher Education fund, an Enterprise fund. At year-end, liabilities for unpaid claims are recorded in the statement of net assets (government-wide and proprietary fund statements) when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The liabilities are determined based on the ultimate cost of settling the claims, including an amount for claims that have been incurred but not reported and claim adjustment expenses. The liabilities are actuarially determined and the unpaid liability for medical malpractice is reported at its present value, using a discount rate of 5 percent. In the General fund, the liability for unpaid claims is only recorded if the liability is due for payment at year-end. Settlements have not exceeded coverages for each of the past three fiscal years. Changes in the claims liabilities during the last two fiscal years were as follows (amounts in thousands):

	Governmental Activities Workers' Compensation	Business-Type Activities Medical Malpractice
Balance 6-30-00	\$ 283,600	\$ 8,325
Incurred claims	105,270	2,026
Paid claims	(62,453)	(800)
Balance 6-30-01	326,417	9,551
Incurred claims	5,845	384
Paid claims	(87,079)	(580)
Balance 6-30-02	\$ 245,183	\$ 9,355

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Note 18 Interfund Receivables and Payables

Interfund receivable and payable balances at June 30, 2002, were as follows (amounts in thousands):

Fund	Interfund Receivable	Interfund Payable
Governmental Funds		
General	\$ 612,736	\$ 1,136,473
Debt Service	-	4,418
Transportation	22,287	1,021
Other Funds:		
Special Revenue:		
Workers' Compensation	82	152
Banking	-	168
Consumer Counsel and Public Utility Control	-	197
Insurance	28	202
Criminal Injuries	11	-
Regional Market	-	6
Soldiers, Sailors, and Marines	44	15
Employment Security Administration	1,125	951
Grant and Loan Programs	291,492	20,224
Environmental Programs	44,969	315
Housing Programs	-	16
Other	115,754	103
Capital Projects:		
State Facilities	-	153,532
Infrastructure	104,895	824
Transportation	8,531	-
Permanent:		
Soldiers, Sailors and Marines	-	44
Other	1	194
Total Other Funds	566,932	176,943
Total Governmental Funds	\$ 1,201,955	\$ 1,318,855
Proprietary Funds		
Enterprise:		
Higher Education	\$ 275,412	\$ 9,360
Bradley International Airport	-	6,700
Employment Security	647	15,310
Clean Water	-	25
Drinking Water	25	-
Total Enterprise Funds	\$ 276,084	\$ 31,395
Internal Service:		
Correction Industries	\$ 567	\$ 4,954
Information and Technology	2,761	288
Administrative Services	1,338	41,530
Total Internal Service Funds	\$ 4,666	\$ 46,772
Fiduciary Funds		
Pension and Other Employee Benefits:		
State Employees	\$ 2,258	\$ 1,612
State Teachers	-	13,306

Other Employee Benefits	2,073	-
Total Pension and Other Benefits	4,331	14,918
Agency:		
Payroll and Fringe Benefit	4,169	-
Total Agency Funds	4,169	-
Total Fiduciary Funds	\$ 8,500	\$ 14,918
Component Units		
Connecticut Development Authority	\$ 20,327	\$ -
Connecticut Health & Educational		
Supplemental Loan Authority	-	99,611
Connecticut Innovations Incorporated	19	-
Total Component Units	\$ 20,346	\$ 99,611
Totals	\$ 1,511,551	\$ 1,511,551

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Note 19 Accounting Changes and Restatements

During the fiscal year 2001-2002, the State implemented the following statements issued by the Governmental Accounting Standards Board:

Statement No. 34 **Basic Financial Statements - and Management's Discussion and Analysis- for State and Local Governments.**

Statement No. 35, **Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities.**

Statement No. 37, **Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus,** and

Statement No. 38, **Certain Financial Statement Disclosures.**

Statement No. 34, as amended by Statement No. 37, establishes new financial standards for states and local governments. The new standards require significant changes to the content and format of the basic financial statements of the State. Some of these changes are including an introductory managements' discussion and analysis, including new government-wide financial statements, and reporting fund financial statements by major funds, rather than by fund type. The new government-wide financial statements consist of a statement of net assets and a statement of activities that are prepared using the economic resources measurement focus and the accrual basis of accounting. To implement these changes, fund reclassifications and adjustments to the fund equities reported in the prior year financial statements were required.

Statement No. 35 establishes new accounting and financial reporting standards for public colleges and universities within the financial reporting guidelines of Statement No. 34. The State's higher education institutions, reported as an Enterprise fund, adopted the requirements of this statement.

Statement No. 38 requires certain note disclosures when Statement No. 34 is implemented.

The provisions of these new standards have been incorporated into the financial statements and notes. The following schedule summarizes changes to fund equities reported on the combined balance sheet. The changes resulted primarily from implementing Statement No. 34.

	Fund Equity 6-30-01 Previously Reported	GASB Statements Implementation Fund Reclass	Prior Period Adjustment	Other Prior Period Adjustments	Fund Equity 6-30-01 as Restated
Governmental Funds and Activities					
Major Funds:					
General	\$ 813,709	\$ -	\$ 6,819	\$ -	\$ 820,528
Debt Service	554,816	77,921	-	-	632,737
Transportation-previously reported as a Special Revenue fund	-	201,446	745	-	202,191
Non-Major Funds:					
Special Revenue Funds:					
Transportation	201,446	(201,446)	-	-	-
Housing Programs	164,090	85,622	-	-	249,712
Other	81,049	44,245	-	-	125,294
Unadjusted Special Revenue Funds	460,983	-	-	-	460,983

Total Special Revenue Funds	907,568	(71,579)	-	-	835,989
Capital Projects Funds:					
State Facilities	19,174	-	(56,728)	-	(37,554)
Others-unadjusted	49,261	-	-	-	49,261
Total Capital Projects Funds	68,435	-	(56,728)	-	11,707
Permanent Funds:					
Soldiers, Sailors, & Marines	-	58,037	-	-	58,037
Connecticut Arts Endowment	-	13,717	-	-	13,717
Other	-	18,582	-	-	18,582
Total Permanent Funds	-	90,336	-	-	90,336
Total Non-major Funds	976,003	18,757	(56,728)	-	938,032
Total Governmental Funds	\$ 2,344,528	\$ 298,124	\$ (49,164)	\$ -	\$ 2,593,488
Adoption of GASB 34					-
Capital assets, net of depreciation	\$ -	\$ 4,060,881	\$ 4,830,102	\$ -	\$ 8,890,983
Net assets of Internal Service Funds	-	41,132	-	(288)	40,844
Additional Revenues	-	-	477,359	-	477,359
Long-term Liabilities	-	(83,932)	(14,655,789)	-	(14,739,721)
Total adoption of GASB 34	-	4,018,081	(9,348,328)	(288)	(5,330,535)
Total Governmental Funds and Activities	\$ 2,344,528	\$ 4,316,205	\$ (9,397,492)	\$ (288)	\$ (2,737,047)

Fund Equity 6-30-01 Previously Reported	GASB Statements Implementation Fund Reclass	Prior Period Adjustment	Other Prior Period Adjustments	Fund Equity 6-30-01 as Restated
---	--	-------------------------------	---	---

Proprietary Funds and Business-Type Activities

Enterprise Funds:

Major Funds:

Higher Education	\$ -	\$ 2,646,400	\$ (396,576)	\$ -	\$ 2,249,824
Bradley International Airport	174,181	-	-	-	174,181
Connecticut Lottery Corporation	1,943	-	-	-	1,943
Employment Security	-	841,336	11,207	-	852,543
Second Injury	-	86,488	(232,539)	-	(146,051)
Clean Water	-	439,312	-	-	439,312

Non-Major funds:

Bradley Parking Garage-previously reported as other Enterprise Fund	(1,406)	-	-	-	(1,406)
---	---------	---	---	---	---------

Clean Water	-	32,603	-	-	32,603
-------------	---	--------	---	---	--------

Total Non-Major Funds	(1,406)	32,603	-	-	31,197
------------------------------	---------	--------	---	---	--------

Rental Housing	80,616	(79,611)	(1,005)	-	-
----------------	--------	----------	---------	---	---

John Dempsey	51,108	(51,108)	-	-	-
--------------	--------	----------	---	---	---

Other	793	(604)	(189)	-	-
-------	-----	-------	-------	---	---

Total Enterprise Funds	307,235	3,914,816	(619,102)	-	3,602,949
-------------------------------	---------	-----------	-----------	---	-----------

Internal Service Funds	41,132	(41,132)	-	-	-
-------------------------------	--------	----------	---	---	---

Total Proprietary Funds and					-
------------------------------------	--	--	--	--	---

Business-Type Activities	\$ 348,367	\$ 3,873,684	\$ (619,102)	\$ -	\$ 3,602,949
---------------------------------	-------------------	---------------------	---------------------	-------------	---------------------

Fiduciary Funds

Pension and Other Employee

Benefits Trust Funds:

Pension Trusts	\$ 20,501,820	\$ -	\$ -	\$ -	\$ 20,501,820
----------------	---------------	------	------	------	---------------

Retired Teachers' Health Benefits Plan	-	17,955	-	-	17,955
--	---	--------	---	---	--------

Police, Firemen Survivors Benefits	-	17,792	-	-	17,792
------------------------------------	---	--------	---	---	--------

Total Pension and Other Employee Benefits Trust Funds	20,501,820	35,747	-	-	20,537,567
Investment Trust Fund-External Investment Pool	1,414,080	-	-	-	1,414,080
Private-Purpose Trust Fund-Escheat Securities	-	-	66,736		66,736
Funds previously reported as					
Expendable Trust Funds	1,007,211	(1,007,211)	-	-	-
Funds previously reported as					
Non-Expendable Trust Funds	562,252	(562,252)	-	-	-
Total Fiduciary Funds	\$ 23,485,363	\$ (1,533,716)	\$ 66,736	\$ -	\$ 22,018,383
Higher Education Funds	\$ 2,595,292	\$ (2,595,292)	\$ -	\$ -	\$ -
Accounts Groups					
General Fixed Assets	4,060,881	(4,060,881)	-	-	-
General Long-Term Debt	-	-	-	-	-
Total Account Groups	4,060,881	(4,060,881)	-	-	-
Total Primary Government	\$ 32,834,431	\$ -	\$ (9,949,858)	\$ (288)	\$ 22,884,285
Connecticut Development Authority-Component Unit	\$ 170,762	\$ -	\$ (738)	\$ -	\$ 170,024

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Note 20 Related Organizations

Related organizations are legally separate organizations that are not financially accountable to the State. However, these organizations are still related to the State as discussed next.

The State appoints a voting majority of the following organizations' governing boards, the Community Economic Development Fund and the Connecticut Student Loan Foundation. The State's accountability for these organizations does not extend beyond making the appointments.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Note 21 Commitments and Contingencies

A. Commitments

At June 30, 2002, the State, including its component units, had the following outstanding commitments:

1. Infrastructure (highways, roads, etc.) and other construction contracts and miscellaneous contracts with various vendors totaling approximately \$1,642.2 million of which \$1,175.6 million is expected to be reimbursed by federal grants or other payments.
2. School construction and alteration grants with various towns for \$3,676.2 million and interest costs of \$285.9 million for a total of \$3,962.1 million. Funding for these projects is expected to come from bond sales.
3. Loan commitments, mortgage and grant programs, and loan guarantees total approximately \$604.6 million. Funding for these programs is expected to come from bond sales.
4. The State has authorized a loan to the Connecticut Resources Recovery Authority (a component unit) of up to \$115 million to support the repayment of the Authority's debt for one of its facilities and to minimize the amount of tipping fee increases chargeable to the towns which use the facility. As of June 30, 2002, the Authority had not drawn on these funds.

B. Contingent Liabilities

The State entered into a contractual agreement with H.N.S. Management Company, Inc. and ATE Management and Service Company, Inc. to manage and operate the bus transportation system for the State. The State shall pay all expenses of the system including all past, present and future pension plan liabilities of the personnel employed by the system and any other fees as agreed upon. When the agreement is terminated the State shall assume or make arrangements for the assumption of all the existing obligations of the management companies including but not limited to all past, present and future pension plan liabilities and obligations.

During the year, the City of Waterbury issued \$97.5 million of General Obligation Special Capital Reserve Fund Bonds. These bonds are secured by a Special Capital Reserve Fund for which the State may be contingently liable as explained previously in Note 16 - Component Units.

C. Litigation

The State, its units and employees are parties to numerous legal proceedings, many of which normally occur in government operations. Most of these legal proceedings are not, in the opinion of the Attorney General, likely to have a material adverse impact on the State's financial position.

There are, however, several legal proceedings which, if decided adversely against the State, may require the State to make material future expenditures for expanded services or capital facilities or may impair future revenue sources. It is neither possible to determine the outcome of these proceedings nor to estimate the possible effects adverse decisions may have on the future expenditures or revenue sources of the State.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Note 22 Subsequent Events

In August, \$656 million of general obligation and general obligation refunding bonds were issued. The bonds will mature November 15, of the years 2002 through 2022 and bear interest rates ranging from 2% to 5.5%.

In November, \$231 million of general obligation bonds and \$215 million of special tax obligation bonds were issued. The general obligation bonds will mature October 15, of the years 2003 through 2022 and bear interest rates ranging from 3% to 5%. The special tax obligation bonds will mature December 1, of the years 2007 through 2022 and bear interest rate of 4.23%.

In December, \$219 million of general obligation economic recovery notes were issued to fund the accumulated deficit in the General Fund. These notes will mature at various dates through 2007 and bear interest rates of 2% to 4%.

In February, 2003, \$422 million of special tax obligation refunding bonds for transportation infrastructure programs were issued. These bonds will mature through February, 2022 and bear interest rates in the Weekly Mode until such a date, if any, as the State elects to change from the Weekly Mode to another interest rate.

In January 2003, an agreement was reached between the parties in the Sheff v. O'Neill lawsuit. While this agreement must be approved by the General Assembly and ordered by the court in order to take effect, its basic provisions are aimed at reducing racial, ethnic and economic isolation in the Hartford public schools over the next four years. The agreement requires the state to create eight new interdistrict magnet schools in Hartford, expand the Open Choice program to provide additional seats in suburban schools for minority public school students from Hartford and provide increased funding for interdistrict cooperative programs serving Hartford public school students. It is estimated that the cost over the next four years will be \$45 million. Additionally, the state is required to fund an undetermined amount of money for eligible school construction costs for magnet schools.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Required Supplementary Information Schedules of Funding Progress

(Expressed in Millions)

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
SERS						
6/30/1997	\$5,131.0	\$8,833.2	\$3,702.2	58.1%	\$2,225.2	166.4%
6/30/1998	\$5,669.9	\$9,592.4	\$3,922.5	59.1%	\$2,339.0	167.7%
6/30/1999	*	-	-	-	-	-
6/30/2000	\$7,196.0	\$11,512.1	\$4,316.1	62.5%	\$2,651.9	162.8%
6/30/2001	\$7,638.9	\$12,105.4	\$4,466.5	63.1%	\$2,784.5	160.4%
6/30/2002	\$7,893.7	\$12,806.1	\$4,912.4	61.6%	\$2,852.1	172.2%

*No actuarial valuation was performed as of June 30, 1999

TRS							
6/30/1997	*	-	-	-	-	-	-
6/30/1998		\$7,721.1	\$10,970.1	\$3,249.0	70.4%	\$2,298.9	141.3%
6/30/1999	*	-	-	-	-	-	-
6/30/2000		\$9,605.9	\$11,797.6	\$2,191.7	81.4%	\$2,501.5	87.6%
6/30/2001	*	-	-	-	-	-	-
6/30/2002		\$10,387.3	\$13,679.9	\$3,292.6	75.9%	\$2,698.3	122.0%

*No actuarial valuation was performed as of June 30, 1997, 1999 and 2001

JRS						
9/30/1997	\$87.8	\$167.5	\$79.7	52.4%	\$20.2	394.6%
6/30/1998	\$98.1	\$168.1	\$70.0	58.4%	\$21.2	330.2%
6/30/1999	\$110.7	\$172.5	\$61.8	64.2%	\$21.9	282.2%
6/30/2000	\$123.4	\$181.7	\$58.3	67.9%	\$24.1	241.9%
6/30/2001	\$133.1	\$193.8	\$60.7	68.7%	\$26.3	230.8%
6/30/2002	\$138.4	\$209.4	\$71.0	66.1%	\$28.9	245.7%

MERS						
6/30/1996	\$782.0	\$692.2	\$(89.8)	113.0%	\$242.8	(37.0)%
6/30/1997	\$872.0	\$731.1	\$(140.9)	119.3%	\$246.0	(57.3)%
6/30/1998	\$980.4	\$814.1	\$(166.3)	120.4%	\$258.2	(64.4)%
6/30/1999	\$1,100.7	\$860.1	\$(240.6)	128.0%	\$269.4	(89.3)%
6/30/2000	\$1,251.6	\$1,153.2	\$(98.4)	108.5%	\$290.3	(33.9)%
6/30/2001	\$1,353.1	\$1,238.1	\$(115.0)	109.3%	\$311.2	(37.0)%

PJRS

For the Probate Judges Retirement System because the UAAL is zero, the actuarial cost method becomes the aggregate cost method and a schedule of funding progress is not required.

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Required Supplementary Information Schedules of Employer Contributions

(Expressed in Millions)

Fiscal Year	SERS		TRS		JRS		MERS		PJRS	
	Annual Required Contrib- ution	Percentage Contrib- uted	Annual Required Contrib- ution	Percentage Contrib- uted	Annual Required Contrib- ution	Percentage Contrib- uted	Annual Required Contrib- ution	Percentage Contrib- uted	Annual Required Contrib- ution	Percentage Contrib- uted
1997	\$542.8	64.3%	\$174.0	85.0%	\$9.3	100.0%	\$21.3	100.0%	\$0.32	100.0%
1998	\$567.6	59.0%	\$211.0	85.0%	\$9.3	100.0%	\$18.8	100.0%	\$0.25	100.0%
1999	\$315.6	100.0%	\$221.6	85.0%	\$9.3	100.0%	\$18.1	100.0%	\$0.32	100.0%
2000	\$342.8	100.0%	\$240.5	85.0%	\$9.3	100.0%	\$32.0	100.0%	\$-	-
2001	\$375.6	100.0%	\$252.5	85.0%	\$9.8	100.0%	\$15.5	100.0%	\$-	-
2002	\$415.5	100.0%	\$210.7	97.1%	\$9.6	100.0%	\$15.3	100.0%	\$-	-

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

	SERS	TRS	JRS	MERS	PJRS
Valuation date	6/30/2002	6/30/2002	6/30/2002	6/30/2001	12/31/2001
Actuarial cost method	Projected unit credit	Entry age	Projected unit credit	Entry age	Entry Age
Amortization method	Level percent of pay, closed	Level percent of pay, closed	Level percent of pay, closed	Level percent of pay, closed	-
Remaining amortization period	30 Years	10-29 Years	29 Years	10-25 Years	-
Asset valuation method	5 year smoothed market	4 year smoothed market	5 year smoothed market	5 year smoothed market	Asset smoothing
Actuarial assumptions:					
Investment rate of return	8.5%	8.5%	8.5%	8.5%	8.5%
Projected salary increases	4.25-15%	4-8%	5.5%	4.5-11.25%	6%
Includes inflation at	5%	4%	5.5%	3.75%	3.5%
Cost-of-living adjustments	2.75-3.75%	3%	3-5.5%	2.5-5.0%	3%

[Basic Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Balance Sheet

Nonmajor Governmental Funds - By Fund Type

June 30, 2002

(Expressed in Thousands)

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total
Assets				
Assets				
Cash and Cash Equivalents	\$139,657	\$-	\$6,161	\$145,818
Investments	56,994	-	83,598	140,592
Securities Lending Collateral	3,567	-	9,899	13,466
Receivables:				
Accounts, Net of Allowances	25,657	1,259	-	26,916
Loans, Net of Allowances	405,363	-	-	405,363
From Other Governments	15,690	89,429	-	105,119
Other	-	-	4	4
From Other Funds	453,505	113,426	1	566,932
Total Assets	1,100,433	204,114	99,663	1,404,210
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable and Accrued Liabilities	38,054	139,845	4	177,903
Due To Other Funds	2,153	154,356	238	156,747
Due To Component Units	20,196	-	-	20,196
Deferred Revenue	33,573	775	-	34,348
Securities Lending Obligation	3,567	-	9,899	13,466
Other Liabilities	1,520	-	-	1,520
Total Liabilities	99,063	294,976	10,141	404,180
Fund Balances				
Reserved For:				
Loans	405,363	-	-	405,363
Continuing Appropriations	849	-	-	849
Permanent Investments	-	-	83,598	83,598
Trust Activities	-	-	5,924	5,924
Unreserved	595,158	(90,862)	-	504,296
Total Fund Balances	1,001,370	(90,862)	89,522	1,000,030
Total Liabilities and Fund Balances	\$1,100,433	\$204,114	\$99,663	\$1,404,210

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds - By Fund Type

For the Fiscal Year Ended June 30, 2002

(Expressed in Thousands)

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total
Assets				
Revenues				
Taxes	\$22,752	\$-	\$-	\$22,752
Licenses, Permits and Fees	68,679	-	-	68,679
Tobacco Settlement	139,968	-	-	139,968
Intergovernmental	66,736	509,112	-	575,848
Charges for Services	2,432	-	-	2,432
Fines, Forfeits and Rents	1,646	-	-	1,646
Investment Earnings	11,027	-	2,794	13,821
Miscellaneous	76,960	-	-	76,960
Total Revenues	390,200	509,112	2,794	902,106
Expenditures				
Current:				
General Government	344,237	-	-	344,237
Regulation and Protection	197,183	-	-	197,183
Conservation and Development	240,523	-	-	240,523
Health and Hospitals	13,633	-	-	13,633
Transportation	4,721	-	-	4,721
Human Services	13,628	-	-	13,628
Education, Libraries, and Museums	414,153	-	1,006	415,159
Corrections	14,153	-	-	14,153
Judicial	11,768	-	-	11,768
Capital Projects	-	1,030,628	-	1,030,628
Debt Service:				
Principal Retirement	1,073	-	-	1,073
Interest and Fiscal Charges	9,329	4,430	-	13,759
Total Expenditures	1,264,401	1,035,058	1,006	2,300,465
Excess (Deficiency) of Revenues Over Expenditures	(874,201)	(525,946)	1,788	(1,398,359)
Other Financing Sources (Uses)				
Bonds Issued	957,985	663,016	-	1,621,001
Premium on Bonds Issued	29,531	17,237	-	46,768
Transfers In	241,675	-	1000	242,675
Transfers Out	(190,809)	(256,910)	(3,602)	(451,321)
Capital Lease Obligations	1,200	34	-	1,234
Total Other Financing Sources (Uses)	1,039,582	423,377	(2,602)	1,460,357
Net Change in Fund Balances	165,381	(102,569)	(814)	61,998
Fund Balances (Deficit) - Beginning (as restated)	835,989	11,707	90,336	938,032
Fund Balances (Deficit) - Ending	\$1,001,370	\$ (90,862)	\$89,522	\$1,000,030

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Special Revenue Funds

Workers' Compensation Administration:

to account for assessments collected for the purpose of covering the administrative costs of the Workers' Compensation Commission.

Banking:

to account for monies collected from various banking institutions throughout the state.

Consumer Counsel and Public Utility Control:

to account for monies collected from various public utility companies.

Insurance:

to account for monies collected from authorized insurers within the state.

Criminal Injuries Compensation:

to account for monies collected from the criminal injuries board.

Regional Market Fund:

to account for rents and other monies collected for the purpose of providing for the payment of expenses relating to the operation and maintenance of the regional market.

Mashantucket Pequot and Mohegan Fund:

to account for casino gambling monies collected from the Mashantucket Pequot Tribe and the Mohegan Tribe to be used for the purpose of distribution to towns.

Soldiers, Sailors, and Marines Fund:

to account for interest earned for the purpose of furnishing food, wearing apparel, medical or surgical care, or funeral expenses of soldiers, sailors, and marines who served in any branch of military service.

Employment Security Administration:

to account for monies collected from various sources for the purpose of defraying the cost of the administration of unemployment compensation.

Grants and Loan Programs:

to account for monies collected for the purpose of giving various grants to local governments, organizations, and individuals.

Environmental Programs:

to account for monies collected for the purpose of providing funds for various environmental programs throughout the state.

Housing Programs:

to account for monies collected for the purpose of providing funds for various housing programs throughout the state.

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Combining Balance Sheet Nonmajor Special Revenue Funds

June 30, 2002

(Expressed in Thousands)

	Workers' Compensation	Banking	Consumer Counsel and Public Utility Control	Insurance
Assets				
Cash and Cash Equivalents	\$13,167	\$24,047	\$4,624	\$8,310
Investments	-	-	-	-
Securities Lending Collateral	-	-	-	-
Receivables:	105	110	115	116
Accounts, Net of Allowances	-	-	945	-
Loans, Net of Allowances	-	-	-	-
From Other Governments	-	-	-	-
From Other Funds	82	-	-	28
Total Assets	13,249	24,047	5,569	8,338
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable and Accrued Liabilities	533	350	504	498
Due To Other Funds	152	168	197	202
Due To Component Units	-	-	-	-
Deferred Revenue	-	-	5,424	3,834
Securities Lending Obligation	-	-	-	-
Other Current Liabilities	-	-	1,520	-
Total Liabilities	685	518	7,645	4,534
Fund Balances				
Reserved For:				
Loans	-	-	-	-
Continuing Appropriations	-	510	-	339
Unreserved	12,564	23,019	(2,076)	3,465
Total Fund Balances	12,564	23,529	(2,076)	3,804
Total Liabilities and Fund Balances	\$13,249	\$24,047	\$5,569	\$8,338

	Criminal Injuries	Mashantucket Pequot and Mohegan Fund	Regional Market	Soldiers, Sailors & Marines	Employment Security Administration
Assets					
Cash and Cash Equivalents	\$2,343	\$13,000	\$642	\$40	\$1,657
Investments	-	-	-	-	-
Securities Lending Collateral	-	-	-	-	-
Receivables:	117	118	120	130	140
Accounts, Net of Allowances	-	-	-	-	-
Loans, Net of Allowances	-	-	-	-	-
From Other Governments	-	-	-	-	15,690
From Other Funds	11	-	-	44	1,125
Total Assets	2,354	13,000	642	84	18,472
Liabilities and Fund Balances					

	Criminal Injuries	Mashantucket Pequot and Mohegan Fund	Regional Market	Soldiers, Sailors & Marines	Employment Security Administration
Liabilities:					
Accounts Payable and Accrued Liabilities	355	-	21	69	3,150
Due To Other Funds	-	-	6	15	951
Due To Component Units	-	-	-	-	-
Deferred Revenue	-	-	-	-	418
Securities Lending Obligation	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-
Total Liabilities	355	-	27	84	4,519
Fund Balances					
Reserved For:					
Loans	-	-	-	-	-
Continuing Appropriations	-	-	-	-	-
Unreserved	1,999	13,000	615	-	13,953
Total Fund Balances	1,999	13,000	615	-	13,953
Total Liabilities and Fund Balances	\$2,354	\$13,000	\$642	\$84	\$18,472

	Grant & Loan Programs	Environmental Programs	Housing Programs	Other	Total
Assets					
Cash and Cash Equivalents	\$-	\$21,193	\$50,634	\$-	\$139,657
Investments	-	20,907	-	36,087	56,994
Securities Lending Collateral	-	-	-	3,567	3,567
Receivables:	160	-	170	180	
Accounts, Net of Allowances	1,848	18,684	3,076	1,104	25,657
Loans, Net of Allowances	157,074	51,076	197,135	78	405,363
From Other Governments	-	-	-	-	15,690
From Other Funds	291,492	44,969	-	115,754	453,505
Total Assets	450,414	156,829	250,845	156,590	1,100,433
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable and Accrued Liabilities	22,384	1,903	150	8,137	38,054
Due To Other Funds	28	315	16	103	2,153
Due To Component Units	20,196	-	-	-	20,196
Deferred Revenue	1,772	18,426	3,008	691	33,573
Securities Lending Obligation	-	-	-	3,567	3,567
Other Current Liabilities	-	-	-	-	1,520
Total Liabilities	44,380	20,644	3,174	12,498	99,063
Fund Balances					
Reserved For:					
Loans	-	51,076	197,135	78	405,363
Continuing Appropriations	-	-	-	-	849
Unreserved	248,960	85,109	50,536	144,014	595,158
Total Fund Balances	406,034	136,185	247,671	144,092	1,001,370
Total Liabilities and Fund Balances	\$450,414	\$156,829	250,845	\$156,590	\$1,100,433

State of Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds

June 30, 2002

(Expressed in Thousands)

	Workers' Compensation	Banking	Consumer Counsel and Public Utility Control	Insurance
Revenues				
Taxes	\$-	\$-	\$-	\$-
Licenses, Permits and Fees	-	14,726	64	319
Tobacco Settlement	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	11	1	-	-
Fines, Forfeits and Rents	-	343	13	-
Investment Earnings	404	-	-	154
Miscellaneous	20,312	16	17,549	20,267
Total Revenues	20,727	15,086	17,626	20,740
Expenditures				
Current:				
General Government	-	-	-	-
Regulation and Protection	21,055	13,506	18,742	21,029
Conservation and Development	-	-	-	-
Health and Hospitals	-	-	-	-
Transportation	-	-	-	-
Human Services	-	-	-	-
Education, Libraries, and Museums	-	-	-	-
Corrections	-	-	-	-
Judicial	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	21,055	13,506	18,742	21,029
Excess (Deficiency) of Revenues				
Over Expenditures	(328)	1,580	(1,116)	(289)
Other Financing Sources (Uses)				
Bonds Issued	-	-	-	-
Premium on Bonds Sold	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Capital Lease Obligations	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(328)	1,580	(1,116)	(289)
Fund Balances (Deficit) - Beginning (as restated)	12,892	21,949	(960)	4,093
Fund Balances (Deficit) - Ending	\$12,564	\$23,529	\$(2,076)	\$3,804

	Criminal Injuries	Mashantucket Pequot and Mohegan Fund	Regional Market	Soldiers, Sailors & Marines	Employment Security Administration
Revenues					
Taxes	\$-	\$-	\$-	\$-	\$-
Licenses, Permits and Fees	2,101	-	23	-	2
Tobacco Settlement	-	-	-	-	-
Intergovernmental	-	-	-	-	66,735
Charges for Services	-	-	-	-	-
Fines, Forfeits and Rents	-	-	824	-	-
Investment Earnings	42	-	18	-	293
Miscellaneous	181	-	30	-	691
Total Revenues	2,324	-	895	-	67,721
Expenditures					
Current:					
General Government	-	135,000	-	239	-
Regulation and Protection	-	-	-	-	79,979
Conservation and Development	-	-	747	-	-
Health and Hospitals	-	-	-	-	-
Transportation	-	-	-	-	-
Human Services	-	-	-	2,959	-
Education, Libraries, and Museums	-	-	-	-	-
Corrections	-	-	-	-	-
Judicial	1,517	-	-	-	-
Debt Service:					
Principal Retirement	-	-	115	-	-
Interest and Fiscal Charges	-	-	56	-	-
Total Expenditures	1,517	135,000	918	3,198	79,979
Excess (Deficiency) of Revenues					
Over Expenditures	807	(135,000)	(23)	(3,198)	(12,258)
Other Financing Sources (Uses)					
Bonds Issued	-	-	-	-	-
Premium on Bonds Sold	-	-	-	-	-
Transfers In	-	147,686	-	3,191	3,229
Transfers Out	-	-	-	-	-
Capital Lease Obligations	-	-	-	-	-
Total Other Financing Sources (Uses)	-	147,686	-	3,191	3,229
Net Change in Fund Balances	807	12,686	(23)	(7)	(9,029)
Fund Balances (Deficit) - Beginning (as restated)	1,192	314	638	7	22,982
Fund Balances (Deficit) - Ending	\$1,999	\$13,000	\$615	\$-	\$13,953

	Grant & Loan Programs	Environmental Programs	Housing Programs	Other	Total
Revenues					
Taxes	\$-	\$22,752	\$-	\$-	\$22,752
Licenses, Permits and Fees	-	13,564	-	37,880	68,679
Tobacco Settlement	-	-	-	139,968	139,968
Intergovernmental	-	1	-	-	66,736
Charges for Services	-	2,391	-	29	2,432
Fines, Forfeits and Rents	-	466	-	-	1,646
Investment Earnings	2,515	498	3,164	3,939	11,027

	Grant & Loan Programs	Environmental Programs	Housing Programs	Other	Total
Miscellaneous	6,003	1,090	6,233	4,588	76,960
Total Revenues	8,518	40,762	9,397	186,404	390,200
Expenditures					
Current:					
General Government	148,223	2,387	-	58,388	344,237
Regulation and Protection	5,065	-	-	37,807	197,183
Conservation and Development	134,710	63,741	38,233	3,092	240,523
Health and Hospitals	1,710	-	-	11,923	13,633
Transportation	4,526	-	-	195	4,721
Human Services	8,267	-	223	2,179	13,628
Education, Libraries, and Museums	391,032	-	-	23,121	414,153
Corrections	4,393	-	-	9,760	14,153
Judicial	-	-	-	10,251	11,768
Debt Service:					
Principal Retirement	-	-	958	-	1,073
Interest and Fiscal Charges	3,856	963	4,346	108	9,329
Total Expenditures	701,782	67,091	43,760	156,824	1,264,401
Excess (Deficiency) of Revenues					
Over Expenditures	(693,264)	(26,329)	(34,363)	29,580	(874,201)
Other Financing Sources (Uses)					
Bonds Issued	817,517	35,270	31,555	73,643	957,985
Premium on Bonds Sold	26,569	1,468	533	961	29,531
Transfers In	4,005	12,771	7,167	63,626	241,675
Transfers Out	(23,828)	(11,000)	(6,933)	(149,048)	(190,809)
Capital Lease Obligations	794	370	-	36	1,200
Total Other Financing Sources (Uses)	825,057	38,879	32,322	(10,782)	1,039,582
Net Change in Fund Balances	131,793	12,550	(2,041)	18,798	165,381
Fund Balances (Deficit) - Beginning (as restated)	274,241	123,635	249,712	125,294	835,989
Fund Balances (Deficit) - Ending	\$406,034	\$136,185	\$247,671	\$144,092	\$1,001,370

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Non-GAAP Budgetary Basis

Budgeted Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2002

(Expressed in Thousands)

	Workers' Compensation			Banking		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues						
Budgeted:						
Operating Transfers In	\$-	\$-	\$-	\$-	\$-	\$-
Licenses, Permits, and Fees	-	-	-	15,200	15,086	(114)
Other	23,700	20,727	(2,973)	-	-	-
Total Budgeted Revenues	23,700	20,727	(2,973)	15,200	15,086	(114)
Expenditures						
Budgeted:						
General Government	-	-	-	-	-	-
Regulation and Protection	23,628	21,056	2,572	14,970	13,479	1,491
Conservation and Development	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Non Functional	-	-	-	-	-	-
Total Budgeted Expenditures	23,628	21,056	2,572	14,970	13,479	1,491
Excess (Deficiency) of Revenues						
Over Expenditures	72	(329)	(401)	230	1,607	1,377
Other Financing Sources (Uses)						
Prior Year Appropriations Carried Forward	-	-	-	355	355	-
Appropriations Continued to Fiscal Year 2002-2003	-	-	-	-	(510)	(510)
Miscellaneous Adjustments	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	355	(155)	(510)
Net Change in Fund Balances	\$72	(329)	\$(401)	\$585	1,452	\$867
Budgetary Fund Balances - July 1		13,578			22,440	
Changes in Reserves		-			155	
Budgetary Fund Balances - June 30		\$13,249			\$24,047	

	Consumer Counsel & Public Utility			Insurance			Criminal Injuries		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues									
Budgeted:									
Operating Transfers In	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Licenses, Permits, and Fees	-	-	-	-	-	-	-	-	-
Other	20,500	17,558	(2,942)	21,500	19,795	(1,705)	1,900	2,325	425
Total Budgeted Revenues	20,500	17,558	(2,942)	21,500	19,795	(1,705)	1,900	2,325	425
Expenditures									
Budgeted:									
General Government	-	-	-	-	-	-	-	-	-
Regulation and Protection	20,430	18,858	1,572	21,488	20,535	953	1,500	1,404	96
Conservation and Development	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-
Non Functional	-	-	-	-	-	-	-	-	-

	Consumer Counsel & Public Utility			Insurance			Criminal Injuries		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Total Budgeted Expenditures	20,430	18,858	1,572	21,488	20,535	953	1,500	1,404	96
Excess (Deficiency) of Revenues									
Over Expenditures	70	(1,300)	(1,370)	12	(740)	(752)	400	921	521
Other Financing Sources (Uses)									
Prior Year Appropriations Carried Forward	-	-	-	140	140	-	-	-	-
Appropriations Continued to Fiscal Year 2002-2003	-	-	-	-	(339)	(339)	-	-	-
Miscellaneous Adjustments	-	-	-	-	(231)	(231)	-	-	-
Total Other Financing Sources (Uses)	-	-	-	140	(430)	(570)	-	-	-
Net Change in Fund Balances	\$70	(1,300)	\$(1,370)	\$152	(1,170)	\$(1,322)	\$400	921	\$521
Budgetary Fund Balances - July 1		5,924			9,309			1,433	
Changes in Reserves		-			199			-	
Budgetary Fund Balances - June 30		\$4,624			\$8,338			\$2,354	

	Mashantucket Pequot and Mohegan Fund			Regional Market			Soldiers, Sailors, and Marines		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues									
Budgeted:									
Operating Transfers In	\$148,000	\$147,686	\$(314)	\$-	\$-	\$-	\$-	\$-	\$-
Licenses, Permits, and Fees	-	-	-	-	-	-	-	-	-
Other	-	-	-	900	894	(6)	3,500	3,147	(353)
Total Budgeted Revenues	148,000	147,686	(314)	900	894	(6)	3,500	3,147	(353)
Expenditures									
Budgeted:									
General Government	-	-	-	-	-	-	247	244	3
Regulation and Protection	-	-	-	-	-	-	-	-	-
Conservation and Development	-	-	-	716	748	(32)	-	-	-
Human Services	-	-	-	-	-	-	3,156	2,963	193
Non Functional	135,000	135,000	-	170	170	-	-	-	-
Total Budgeted Expenditures	135,000	135,000	-	886	918	(32)	3,403	3,207	196
Excess (Deficiency) of Revenues									
Over Expenditures	13,000	12,686	(314)	14	(24)	(38)	97	(60)	(157)
Other Financing Sources (Uses)									
Prior Year Appropriations Carried Forward	-	-	-	-	-	-	-	-	-
Appropriations Continued to Fiscal Year 2002-2003	-	-	-	-	-	-	-	-	-
Miscellaneous Adjustments	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	\$13,000	12,686	\$(314)	\$14	(24)	\$(38)	\$97	(60)	\$(157)
Budgetary Fund Balances - July 1		314			666			100	
Changes in Reserves		-			-			-	
Budgetary Fund Balances - June 30		\$13,000			\$642			\$40	

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Capital Projects Funds

State Facilities:

to account for proceeds of bond issues and other sources and the subsequent expenditures for the construction of various state buildings and structures.

Infrastructure:

to account for the proceeds of bond issues and related capital project grants to finance the State's transportation infrastructure program over a ten-year period. This program encompasses the planning, acquisition, removal, construction, equipping, reconstruction, repair, rehabilitation and improvement of, and acquisition of easements and rights-of-way with respect to, State highways and bridges, projects on the interstate highway system, alternate highway projects in the interstate substitution program (the "interstate trade-in program"), waterway facilities, aeronautic facilities (excluding Bradley International Airport), the highway safety program, maintenance garages and administrative facilities of the Department, payment of the State's share of the costs of the local bridge program and payment of State contributions to the local bridge revolving fund.

Other Transportation:

to account for the proceeds of bond issues and related grants to be used for other transportation related capital projects.

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Combining Balance Sheet Nonmajor Capital Projects Funds

June 30, 2002

(Expressed in Thousands)

	State Facilities	Infrastructure	Transportation	Total
Assets				
Receivables:				
Accounts, Net of Allowances	3	1,256	0	1,259
From Other Governments	-	89,429	0	89,429
From Other Funds	-	104,895	8,531	113,426
Total Assets	\$3	\$195,580	\$8,531	\$204,114
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$51,917	\$87,928	\$-	\$139,845
Due To Other Funds	153,532	824	-	154,356
Deferred Revenue	3	772	-	775
Total Liabilities	205,452	89,524	-	294,976
Fund Balances	300	325	350	
Unreserved	(205,449)	106,056	8,531	(90,862)
Total Fund Balances	(205,449)	106,056	8,531	(90,862)
Total Liabilities and Fund Balances	\$3	\$195,580	\$8,531	\$204,114

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Projects Funds

For The Fiscal Year Ended June 30, 2002

(Expressed in Thousands)

	State Facilities	Infrastructure	Transportation	Total
Revenues				
Intergovernmental	\$386	\$508,724	\$2	\$509,112
Total Revenues	386	508,724	2	509,112
Expenditures				
Capital Projects	312,676	717,949	3	1,030,628
Debt Service:		325	350	
Interest and Fiscal Charges	2,311	2,119	-	4,430
Total Expenditures	314,987	720,068	3	1,035,058
Excess (Deficiency) of Revenues				
Over Expenditures	(314,601)	(211,344)	(1)	(525,946)
Other Financing Sources (Uses)				
Bonds Issued	376,016	287,000	-	663,016
Premium on Bonds Issued	12,189	5,048	-	17,237
Transfers Out	(241,533)	(15,377)	-	(256,910)
Capital Lease Obligation	34	-	-	34
Total Other Financing Sources (Uses)	146,706	276,671	-	423,377
Net Change in Fund Balances	(167,895)	65,327	(1)	(102,569)
Fund Balances (Deficits) - Beginning (as restated)	(37,554)	40,729	8,532	11,707
Fund Balances - Ending	\$(205,449)	\$106,056	\$8,531	\$(90,862)

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Permanent Funds

Soldiers', Sailors', and Marines':

to account for the principal and interest earned on investments of this fund. Interest earned has been earmarked by the General Assembly for the benefit of resident veterans to provide such things as food, wearing apparel, medical or surgical aid, care and relief or funeral benefits.

Connecticut Arts Endowment:

A fund established to support arts organizations throughout Connecticut. The fund administered by the Connecticut Commission on the Arts, finances grants to eligible arts organizations throughout the state.

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Combining Balance Sheet Nonmajor Permanent Funds

June 30, 2002

(Expressed in Thousands)

	Soldiers, Sailors, & Marines	Connecticut Arts Endowment	Other	Total
Assets				
Cash and Cash Equivalents	\$527	\$4	\$5,630	\$6,161
Investments	56,373	14,552	12,673	83,598
Securities Lending Collateral	7,027	1,671	1,201	9,899
Other Receivables	-	2	2	4
Due From Other Funds	-	-	1	1
Total Assets	\$63,927	\$16,229	\$19,507	\$99,663
Liabilities and Fund Balance				
Liabilities:				
Accounts Payable and Accrued Liabilities	-	4	-	4
Due To Other Funds	44	-	194	238
Securities Lending Obligation	7,027	1,671	1,201	9,899
Total Liabilities	7,071	1,675	1,395	10,141
Fund Balances				
Reserved For:				
Permanent Investments	56,373	14,552	12,673	83,598
Trust Activities	483	2	5,439	5,924
Total Fund Balances	56,856	14,554	18,112	89,522
Total Liabilities and Fund Balances	\$63,927	\$16,229	\$19,507	\$99,663

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Permanent Funds

For The Fiscal Year Ended June 30, 2002

(Expressed in Thousands)

	State Facilities	Infrastructure	Transportation	Total
Revenues				
Investment Earnings	\$2,010	\$727	\$57	\$2,794
Total Revenues	2,010	727	57	2,794
Expenditures				
Education, Libraries and Museums	-	890	116	1,006
Total Expenditures	-	890	116	1,006
Excess (Deficiency) of Revenues Over Expenditures	2,010	(163)	(59)	1,788
Other Financing Sources (Uses)				
Transfers In	-	1,000	-	1,000
Transfers Out	(3,191)	-	(411)	(3,602)
Total Other Financing Sources (Uses)	(3,191)	1,000	(411)	(2,602)
Net Change in Fund Balances	(1,181)	837	(470)	(814)
Fund Balances - Beginning (as restated)	58,037	13,717	18,582	90,336
Fund Balances - Ending	\$56,856	\$14,554	\$18,112	\$89,522

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Enterprise Funds

Bradley Parking Garage:

In 2000, Bradley parking garage bonds were issued in the amount of \$53,800,000. These bonds were issued to build a parking garage at the airport.

Drinking Water:

to account for resources used to provide loans to municipalities to finance activities needed to achieve or maintain compliance with the Safe Drinking Water Act.

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Combining Statement of Net Assets Nonmajor Enterprise Funds

June 30, 2002

(Expressed in Thousands)

	Bradley Parking Garage	Drinking Water	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	\$-	\$59	\$59
Loans, Net of Allowances	-	8,082	8,082
Interest Receivable	-	1,288	1,288
Due From Other Funds	-	25	25
Total Current Assets	-	9,454	9,454
Noncurrent Assets:			
Restricted Assets	10,549	40,934	51,483
Capital Assets, Net of Accumulated Depreciation	34,387	-	34,387
Loans, Net of Allowances	-	18,673	18,673
Other Noncurrent Assets	2,310	-	2,310
Total Noncurrent Assets	47,246	59,607	106,853
Total Assets	47,246	69,061	116,307
Liabilities			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	1,791	350	2,141
Deferred Revenue	-	119	119
Other Current Liabilities	-	14	14
Total Current Liabilities	1,791	483	2,274
Noncurrent Liabilities:			
Noncurrent Portion of Long-Term Liabilities	53,974	30,083	84,057
Total Noncurrent Liabilities	53,974	30,083	84,057
Total Liabilities	55,765	30,566	86,331
Net Assets (Deficit)			
Invested in Capital Assets, Net of Related Debt	(19,412)	-	(19,412)
Restricted for Debt Service	10,893	-	10,893
Restricted for Receivables	-	20,752	20,752
Unrestricted	-	17,743	17,743
Total Net Assets (Deficit)	\$(8,519)	\$38,495	\$29,976

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets Nonmajor Enterprise Funds

June 30, 2002

(Expressed in Thousands)

	Bradley Parking Garage	Drinking Water	Total
Operating Revenues			
Charges for Sales and Services	\$15,912	\$-	\$15,912
Interest on Loans and Notes	-	625	625
Miscellaneous	798	-	798
Total Operating Revenues	16,710	625	17,335
Operating Expenses			
Salaries, Wages and Administrative	-	1,541	1,541
Cost of Sales and Services	11,691	-	11,691
Depreciation and Amortization	1,004	-	1,004
Total Operating Expenses	12,695	1,541	14,236
Operating Income	4,015	(916)	3,099
Nonoperating Revenues (Expenses)			
Interest and Investment Income	788	2,095	2,883
Interest and Fiscal Charges	(3,575)	(1,375)	(4,950)
Total Nonoperating Income (Expense)	(2,787)	720	(2,067)
Income (Loss) Before Grants and Transfers	1,228	(196)	1,032
Federal Grants	-	6,646	6,646
Transfers Out	(8,341)	(558)	(8,899)
Change in Net Assets	(7,113)	5,892	(1,221)
Total Net Assets - Beginning (as restated)	(1,406)	32,603	31,197
Total Net Assets (Deficit) - Ending	\$(8,519)	\$38,495	\$29,976

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Combining Statement of Cash Flows Nonmajor Enterprise Funds

June 30, 2002

(Expressed in Thousands)

	Bradley Parking Garage	Drinking Water	Total
Cash Flows from Operating Activities			
Receipts from Customers	\$16,710	\$1,050	\$17,760
Payments to Suppliers	(11,603)	-	(11,603)
Payments to Employees	-	(1,082)	(1,082)
Other Receipts (Payments)	-	(8,925)	(8,925)
Net Cash Provided by (Used in) Operating Activities	5,107	(8,957)	(3,850)
Cash Flows from Noncapital Financing Activities			
Interest of Bonds	-	(1,165)	(1,165)
Transfers Out	(8,341)	(543)	(8,884)
Other Receipts (Payments)	-	6,730	6,730
Net Cash Flows from Noncapital Financing Activities	(8,341)	5,022	(3,319)
Cash Flows from Capital and Related Financing Activities			
Additions to Property, Plant and Equipment	(1,958)	-	(1,958)
Interest Paid on Capital Debt	(3,583)	-	(3,583)
Net Cash Flows from Capital and Related Financing Activities	(5,541)	-	(5,541)
Cash Flows from Investing Activities			
Proceeds from Sales and Maturities of Investments	7,987	2,778	10,765
Interest on Investments	788	1,203	1,991
Net Cash Flows from Investing Activities	8,775	3,981	12,756
Net Increase (Decrease) in Cash and Cash Equivalents	-	46	46
Cash and Cash Equivalents -Beginning of Year (as restated)	-	13	13
Cash and Cash Equivalents -End of Year	\$-	\$59	\$59
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities			
Operating Income (Loss)	\$4,015	\$(916)	\$3,099
Adjustments not Affecting Cash:			
Depreciation and Amortization	1,004	-	1,004
Change in Assets and Liabilities:			
(Increase) Decrease in Receivables, Net	-	(8,041)	(8,041)
(Increase) Decrease in Inventories and Other Assets	88	-	88
Total Adjustments	1,092	(8,041)	(6,949)
Net Cash Provided by (Used In) Operating Activities	\$5,107	\$(8,957)	\$(3,850)

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Internal Service Funds

Correction Industries:

to account for the revenues and expenses associated with the sale of goods resulting from the industrial activities of the inmates at correctional institutions.

Administrative Services:

to account for the various services provided by the Department of Administrative Services to other agencies. For example, fleet operations, printing, etc.

Information Technology:

to account for the various services provided by the Department of Information Technology to other agencies. For example, information systems support, telecommunications, etc.

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Combining Statement of Net Assets Internal Service Funds

June 30, 2002

(Expressed in Thousands)

	Correction Industries	Information & Technology	Administrative Services	Total
Assets				
Current Assets:				
Cash and Cash Equivalents	\$8,067	\$4,172	\$2	\$12,241
Receivables, Net of Allowances	367	9,308	1,277	10,952
Due From Other Funds	567	2,761	1,338	4,666
Other Current Assets	4,024	67	666	4,757
Total Current Assets	13,025	16,308	3,283	32,616
Noncurrent Assets:	470	475	480	
Capital Assets, Net of Accumulated Depreciation	2,095	9,483	52,859	64,437
Other Noncurrent Assets	-	-	37	37
Total Noncurrent Assets	2,095	9,483	52,896	64,474
Total Assets	15,120	25,791	56,179	97,090
Liabilities				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	1,339	9,641	729	11,709
Due To Other Funds	4	288	41,530	41,822
Deferred Revenue	-	-	329	329
Compensated Absences-Current Portion	44	179	45	268
Other Current Liabilities	74	-	-	74
Total Current Liabilities	1,461	10,108	42,633	54,202
Noncurrent Liabilities:	470	475	480	
Compensated Absences	573	3,689	947	5,209
Advances From Other Funds	4,950	-	-	4,950
Total Noncurrent Liabilities	5,523	3,689	947	10,159
Total Liabilities	6,984	13,797	43,580	64,361
Net Assets				
Invested in Capital Assets, Net of Related Debt	2,095	9,483	11,429	23,007
Unrestricted	6,041	2,511	1,170	9,722
Total Net Assets	\$8,136	\$11,994	\$12,599	\$32,729

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets Internal Service Funds

June 30, 2002

(Expressed in Thousands)

	Correction Industries	Information & Technology	Administrative Services	Total
Operating Revenues				
Charges for Sales and Services	\$21,145	\$71,310	\$31,094	\$123,549
Total Operating Revenues	21,145	71,310	31,094	123,549
Operating Expenses				
Cost of Sales and Services	16,108	42,933	26,969	86,010
Salaries, Wages and Administrative	3,771	25,685	4,599	34,055
Depreciation and Amortization	456	5,213	7,263	12,932
Total Operating Expenses	20,335	73,831	38,831	132,997
Operating Income (Loss)	810	(2,521)	(7,737)	-9,448
Nonoperating Revenue	470	475	480	
Investment Income	1,154	-	-	1,154
Income Before Other Revenue	1,964	(2,521)	(7,737)	(8,294)
Capital Contribution	-	-	179	179
Change in Net Assets	1,964	(2,521)	(7,558)	(8,115)
Total Net Assets - Beginning (as restated)	6,172	14,515	20,157	40,844
Total Net Assets - Ending	\$8,136	\$11,994	\$12,599	\$32,729

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Combining Statement of Cash Flows Internal Service Funds

June 30, 2002

(Expressed in Thousands)

	Correction Industries	Information Technology	Administrative Services	Total
Cash Flows from Operating Activities				
Receipts from Customers	\$20,845	\$66,677	\$32,754	\$120,276
Payments to Suppliers	(15,663)	(36,389)	(53,823)	(105,875)
Payments to Employees	(3,654)	(25,144)	(4,661)	(33,459)
Other Receipts (Disbursements)	(68)	19	38,100	38,051
Net Cash Provided by (Used in) Operating Activities	1,460	5,163	12,370	18,993
Cash Flows from Capital and Related Financing Activities				
Additions to Property, Plant and Equipment	(271)	(11,796)	(12,191)	(24,258)
Capital Contributions	-	1,100	(179)	921
Net Cash Flows from Capital and Related Financing Activities	(271)	(10,696)	(12,370)	(23,337)
Cash Flows from Investing Activities				
Interest on Investments	1,154	-	-	1,154
Net Cash Flows from Investing Activities	1,154	-	-	1,154
Net Increase (Decrease) in Cash and Cash Equivalents	2,343	(5,533)	-	(3,190)
Cash and Cash Equivalents -Beginning of Year	5,724	9,705	2	15,431
Cash and Cash Equivalents -End of Year	\$8,067	\$4,172	\$2	\$12,241
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities				
Operating Income (Loss)	\$810	\$(2,521)	\$(7,737)	\$(9,448)
Adjustments Not Affecting Cash:				
Depreciation	456	5,213	7,263	12,932
Change in Assets and Liabilities:				
(Increase) Decrease in Receivables, Net	(369)	(4,608)	2,593	(2,384)
(Increase) Decrease in Due From Other Funds	69	(25)	(932)	(888)
(Increase) Decrease in Inventories and Other Current Assets	(3)	311	259	567
Increase (Decrease) in Accounts Payables & Accrued Liabilities	495	6,799	(30,413)	(23,119)
Increase (Decrease) in Due To Other Funds	2	(6)	41,337	41,333
Total Adjustments	650	7,684	20,107	28,441
Net Cash Provided by (Used In) Operating Activities	\$1,460	\$5,163	\$12,370	\$18,993

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Pension and (Other Employee Benefit) Trust Funds

Pension Trust Funds:

See notes 10 and 11 for a description of the Pension Trust Funds.

Retired Teachers' Health Benefits Plan:

to account for resources used to provide health benefits to retired teachers and their beneficiaries. The plan is administered by the Teachers' Retirement Board.

Policemen, Firemen Survivors' Benefits Plan:

to account for resources used to provide benefits to the survivors of policemen and firemen. The plan is administered by the State Comptroller's Retirement Division.

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Combining Statement of Fiduciary Net Assets Pension (and Other Employee Benefit) Trust Funds

June 30, 2002

(Expressed in Thousands)

	Pension Trust			Connecticut			Other Employee Benefits			
	State	State		Municipal	Probate		Retired	Policemen,		
	Employees	Teachers	Judicial	Employees	Judges	Other	Teachers'	Firemen,	Survivors' Benefits	Total
							Health Benefits			
Assets										
Cash and Cash Equivalents	\$-	\$ -	\$ -	\$711	\$1	\$73	\$10,903		5	\$11,693
Receivables:										
Accounts, Net of Allowances	2,007	7,346	8	1,997	3	10	-	-	-	11,371
From Other Governments	-	1,637	-	-	-	-	-	-	-	1,637
From Other Funds	2,258	-	-	-	-	-	2,073	-	-	4,331
Interest	266	440	15	106	6	-	-	-	9	842
Investments	7,090,509	10,107,302	125,264	1,184,508	60,924	615	-	-	16,802	18,585,924
Securities Lending Collateral	604,496	854,494	10,287	97,013	5,509	38	-	-	894	1,572,731
Other Assets	-	-	-	-	-	-	4,756	-	-	4,756
Total Assets	7,699,536	10,971,219	135,574	1,284,335	66,443	736	17,732	-	17,710	20,193,285
Liabilities	650	660	680	700	710	670	505	-	515	
Accounts Payable and Accrued Liabilities	25	-	-	-	-	-	-	-	-	25
Securities Lending Obligation	604,496	854,494	10,287	97,013	5,509	38	-	-	894	1,572,731
Due to Other Funds	1,612	13,306	-	-	-	-	-	-	-	14,918
Total Liabilities	606,133	867,800	10,287	97,013	5,509	38	-	-	894	1,587,674
Net Assets										
Held in Trust For Employee										
Pension and Other Benefits	7,093,403	10,103,419	125,287	1,187,322	60,934	698	17,732	-	16,816	18,605,611
Total Net Assets	\$7,093,403	\$10,103,419	\$125,287	\$1,187,322	\$60,934	\$698	\$17,732	-	\$16,816	\$18,605,611

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Combining Statement of Changes in Fiduciary Net Assets Pension (and Other Employee Benefit) Trust Funds

June 30, 2002

(Expressed in Thousands)

	State Employees	State Teachers	Pension Trust Judicial	Connecticut Municipal Employees	Probate Judges	Other	Other Employee Benefits Retired Teachers' Health Benefits	Policemen, Firemen, Survivors' Benefits	Total
Additions									
Contributions:									
Plan Members	\$49,577	\$179,687	\$1,331	\$11,198	\$228	\$32	\$33,033	\$295	\$275,381
State	415,493	204,511	9,598	-	-	-	10,486	-	640,088
Municipalities	-	3,758	-	15,295	-	-	-	-	19,053
Total Contributions	465,070	387,956	10,929	26,493	228	32	43,519	295	934,522
Investment Income (Loss)	(472,978)	(679,166)	(7,344)	(76,488)	(3,581)	(49)	206	(659)	(1,240,059)
Less: Investment Expenses	(35,618)	(51,169)	-553	(5,760)	(270)	(4)	-	(50)	(93,424)
Net Investment Income (Loss)	(508,596)	(730,335)	(7,897)	(82,248)	(3,851)	(53)	206	(709)	(1,333,483)
Transfers In	-	-	-	-	1,137	-	-	-	1,137
Other	-	-	-	-	0	5	-	-	5
Total Additions	(43,526)	(342,379)	3,032	(55,755)	(2,486)	(16)	43,725	(414)	(397,819)
Deductions									
Administrative Expense	272	-	7	7	-	-	1,110	-	1,396
Benefit Payments and Refunds	651,201	761,288	13,509	57,265	2,111	93	42,764	562	1,528,793
Other	2,701	-	-	-	1,173	-	74	-	3,948
Total Deductions	654,174	761,288	13,516	57,272	3,284	93	43,948	562	1,534,137
Changes in Net Assets	(697,700)	(1,103,667)	(10,484)	(113,027)	(5,770)	(109)	(223)	(976)	(1,931,956)
Net Assets Held in Trust For									
Pension and Other Employee Benefits:									
Beginning of Year (as restated)	7,791,103	11,207,086	135,771	1,300,349	66,704	807	17,955	17,792	20,537,567
End of Year	\$7,093,403	\$10,103,419	\$125,287	\$1,187,322	\$60,934	\$698	\$17,732	\$16,816	\$18,605,611

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Agency Funds

Insurance Companies' Securities:

To account for securities that are deposited with the Treasurer to be held for policyholders of insurance companies as a prerequisite to such companies transacting business with the State.

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Combining Statement of Assets and Liabilities

Agency Funds

June 30, 2002

(Expressed in Thousands)

	Fringe Benefit Clearing	Receipts Pending Distribution	Insurance Companies' Securities	State Institution Activity	Other	Total
Assets						
Cash and Cash Equivalents	\$1,763	\$19,945	\$-	\$10,080	\$239,763	\$271,551
Receivables:	720	730	745	760	780	
Accounts, Net of Allowances	-	298	-	2,457	-	2,755
From Other Funds	4,169	-	-	-	-	4,169
Interest	-	-	-	12	82	94
Inventories	-	-	-	170	-	170
Other Assets	-	-	519,347	3,079	-	522,426
Total Assets	5,932	20,243	519,347	15,798	239,845	801,165
Liabilities						
Accounts Payable and Accrued Liabilities	-	12,029	-	289	2,513	14,831
Other Liabilities	-	-	-	562	-	562
Funds Held for Others	5,931	8,215	519,347	14,947	237,332	785,772
Total Liabilities	\$5,931	\$20,244	\$519,347	\$15,798	\$239,845	\$801,165

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Combining Statement of Changes in Assets and Liabilities

Agency Funds

June 30, 2002

(Expressed in Thousands)

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002
Fringe Benefit Clearing				
Assets				
Cash and Cash Equivalents	\$2,351	\$-	\$588	\$1,763
From Other Funds	4,990	4,169	4,990	4,169
Total Assets	\$7,341	\$4,169	\$5,578	\$5,932
Liabilities				
Funds Held for Others	\$7,341	\$5,932	\$7,341	\$5,932
Total Liabilities	\$7,341	\$5,932	\$7,341	\$5,932
Receipts Pending Distribution				
Assets				
Cash and Cash Equivalents	\$9,510	\$18,023	\$7,588	\$19,945
Accounts, Net of Allowances	218	298	218	298
Total Assets	\$9,728	\$18,321	\$7,806	\$20,243
Liabilities				
Accounts Payable and Accrued Liabilities	\$1,392	\$10,802	\$165	\$12,029
Funds Held for Others	8,336	18,102	18,224	8,214
Total Liabilities	\$9,728	\$28,904	\$18,389	\$20,243
Insurance Companies Securities				
Assets				
Other Assets	500,882	519,347	500,882	519,347
Total Assets	\$500,882	\$519,347	\$500,882	\$519,347
Liabilities				
Funds Held for Others	500,882	519,347	500,882	519,347
Total Liabilities	\$500,882	\$519,347	\$500,882	\$519,347
State Institution Activity				
Assets				
Cash and Cash Equivalents	\$13,124	\$11,649	\$14,693	\$10,080
Accounts, Net of Allowances	2,305	2,457	2,305	2,457
Other Receivables	51	-	51	-
Interest	22	12	22	12
Inventories	-	170	-	170
Other Assets	1,667	3,079	1,667	3,079
Total Assets	\$17,169	\$17,367	\$18,738	\$15,798
Liabilities				
Accounts Payable and Accrued Liabilities	\$79	\$289	\$79	\$289
Other Liabilities	-	562	-	562
Funds Held for Others	17,090	14,947	17,090	14,947
Total Liabilities	\$17,169	\$15,798	\$17,169	\$15,798

Other

Assets

Cash and Cash Equivalents	\$111,651	\$128,112	\$-	\$239,763
Investments	3,037	-	3,037	-
Interest	320	82	320	82
Total Assets	\$115,008	\$128,194	\$3,357	\$239,845

Liabilities

Accounts Payable and Accrued Liabilities	\$-	\$2,513	\$-	\$2,513
Funds Held for Others	115,008	239,844	117,520	237,332
Total Liabilities	\$115,008	\$242,357	\$117,520	\$239,845

Total - All Agency Funds

Assets

Cash and Cash Equivalents	\$136,636	\$157,784	\$22,869	\$271,551
Investments	3,037	-	3,037	-
Accounts, Net of Allowances	2,523	2,755	2,523	2,755
Other Receivables	51	-	51	-
From Other Funds	4,990	4,169	4,990	4,169
Interest	342	94	342	94
Inventories	-	170	-	170
Other Assets	502,549	522,426	502,549	522,426
Total Assets	\$650,128	\$687,398	\$536,361	\$801,165

Liabilities

Accounts Payable and Accrued Liabilities	\$1,471	\$13,604	\$244	\$14,831
Other Liabilities	-	562	-	562
Funds Held for Others	648,657	798,172	661,057	785,772
Total Liabilities	\$650,128	\$812,338	\$661,301	\$801,165

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Component Units

Connecticut Higher Education Supplemental Loan Authority:

the Connecticut Higher Education Supplementary Loan Authority is a public instrumentality and political subdivision of the State. The Authority was created to assist students, their parents and institutions of higher education to finance the cost of higher education through its bond funds.

Connecticut Health and Educational Facilities Authority:

the Connecticut Health and Educational Facilities Authority is a public instrumentality and political subdivision of the State. The Authority was created to assist certain health care institutions, institutions of higher education, and qualified for-profit and not-for-profit institutions in the financing and refinancing of projects to be undertaken in relation to programs for these institutions.

Capital City Economic Development Authority:

the Capital City Economic Development Authority is a public instrumentality of the state. The authority was created in 1998 to use municipal and state financial resources for the purpose of building a variety of Hartford based projects ranging from facilities to accommodate the exhibition, hospitality and tourism industries to downtown residential housing.

Connecticut Innovations, Incorporated:

Connecticut Innovations is a public instrumentality and political subdivision of the State. It was established to stimulate and promote technological innovation and application of technology within Connecticut by providing financial technical assistance.

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Combining Statement of Net Assets Nonmajor Component Units

June 30, 2002

(Expressed in Thousands)

	Connecticut Higher Education Supplemental Loan Authority	Connecticut Health & Educational Facilities Authority	Connecticut Innovations, Incorporated	Capital City Economic Development Authority	Total
Assets					
Current Assets:					
Cash and Cash Equivalents	\$21,829	\$19,343	\$43,773	\$583	\$85,528
Investments	1,872	135	95,690	-	97,697
Receivables, Net of Allowances	14,431	408	125	313	15,277
Due From Primary Government	-	-	19	-	19
Restricted Assets	12,986	386,060	4,819	-	403,865
Other Current Assets	13	32	983	-	1028
Total Current Assets	51,131	405,978	145,409	896	603,414
Noncurrent Assets:	436				
Restricted Assets	-	-	-	279	279
Capital Assets, Net of Accumulated Depreciation	-	154	125	61	340
Receivables, Net of Allowances	80,135	-	-	-	80,135
Other Noncurrent Assets	1,874	-	-	-	1,874
Total Noncurrent Assets	82,009	154	125	340	82,628
Total Assets	133,140	406,132	145,534	1,236	686,042
Liabilities					
Current Liabilities:					
Accounts Payable & Accrued Liabilities	146	512	-	483	1,141
Due To Primary Government	-	99,611	-	-	99,611
Current Portion of Long-Term Obligations	3,545	1,770	-	-	5,315
Amount Held for Institutions	-	279,817	-	-	279,817
Deferred Revenue	395	-	-	-	395
Other Liabilities	1,251	548	2,134	-	3,933
Total Current Liabilities	5,337	382,258	2,134	483	390,212
Noncurrent Liabilities:					
Noncurrent Portion of Long-Term Obligations	123,237	4,209	-	-	127,446
Total Noncurrent Liabilities	123,237	4,209	-	-	127,446
Total Liabilities	128,574	386,467	2,134	483	517,658
Net Assets					
Invested in Capital Assets, Net of Related Debt	-	154	125	61	340
Restricted	-	-	4,819	279	5,098
Unrestricted	4,566	19,511	138,456	413	162,946
Total Net Assets	\$4,566	\$19,665	\$143,400	\$753	\$168,384

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Combining Statement of Activities Nonmajor Component Units

June 30, 2002

(Expressed in Thousands)

						Net (Expense) Revenue and Changes in Net Assets							
Functions/ Programs	Expenses	Charges for Services	Program Revenues		Connect- icut Higher Education	Connecticut			Totals				
			Operating Grants and Contrib- utions	Capital Grants and Contrib- utions	Supple- mental Loan Authority	Educa- tional Facilities Authority	Conn- ecticut Innov- ations, Incorp- orated						
					Capital Grants and Contrib- utions	Supple- mental Loan Authority	Educa- tional Facilities Authority	Conn- ecticut Innov- ations, Incorp- orated					
										Capital Grants and Contrib- utions	Supple- mental Loan Authority	Educa- tional Facilities Authority	Conn- ecticut Innov- ations, Incorp- orated
Connecticut Higher Education Supplemental Loan Authority	\$10,007	\$10,098	\$-	\$-	\$91	\$-	\$-	\$-	\$91				
Connecticut Health and Educational Facilities Authority	2,484	4,273	-	-	-	1,789	-	-	1,789				
Connecticut Innovations, Incorporated	14,079	952	20,082	-	-	-	6,955	-	6,955				
Capital City Economic Development Authority	3,138	-	3,136	-	-	-	-	(2)	(2)				
Total Nonmajor Component Units	\$29,708	\$15,323	\$23,218	\$-	91	1,789	6,955	(2)	8,833				
General Revenues:													
Investment Income					1,559	699	(56,417)	26	(54,133)				
Special Item-Administrative													
Fee Rebates					-	(1,327)	-	-	(1,327)				
Total General Revenues and													
Special Item					1,559	(628)	(56,417)	26	(55,460)				
Change in Net Assets					1,650	1,161	(49,462)	24	(46,627)				
Total Net Assets - Beginning					2,916	18,504	192,862	729	215,011				
Total Net Assets - Ending					\$4,566	\$19,665	\$143,400	\$753	\$168,384				

[Combining Statements Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

General Governmental Expenditures By Function

Last Ten Fiscal Years

(Expressed in Thousands)

FUNCTION(1)	1993	1994	1995	1996	1997
1. Legislative	\$44,040	\$45,820	\$46,618	\$47,422	\$51,802
2. General Government	1,055,645	1,033,897	1,109,507	1,182,673	715,844
3. Regulation and Protection	348,787	395,662	397,131	415,308	414,873
4. Conservation and Development	232,130	227,024	263,748	221,383	264,742
5. Health and Hospitals	749,402	757,731	793,447	826,501	895,809
6. Transportation	381,135	350,413	352,160	358,144	359,716
7. Human Services	2,639,093	2,916,838	3,395,130	3,450,082	3,512,640
8. Education, Libraries, and Museums	2,113,031	2,258,516	2,339,278	2,420,982	2,445,732
9. Corrections	620,821	737,946	800,822	846,305	947,932
10. Judicial	207,803	229,108	241,690	271,571	304,686
11. Restricted Federal & Other Grants/Accounts (2)	1,068,775	1,008,904	922,518	875,430	679,559
12. Debt Service	1,033,014	972,368	1,262,425	1,305,017	1,158,034
Total Expenditures	\$10,493,676	\$10,934,227	\$11,924,474	\$12,220,818	\$11,751,369

FUNCTION(1)	1998	1999	2000	2001	2002
1. Legislative	\$54,898	\$65,272	\$68,590	\$71,146	\$76,595
2. General Government	783,865	1,032,668	990,749	1,177,391	1,326,900
3. Regulation and Protection	417,537	476,469	523,746	553,871	607,074
4. Conservation and Development	263,327	303,994	355,407	425,544	428,254
5. Health and Hospitals	955,659	1,058,582	1,152,309	1,489,557	1,652,838
6. Transportation	342,637	383,175	400,502	601,342	576,857
7. Human Services	3,553,865	3,488,482	3,780,196	3,850,108	3,866,970
8. Education, Libraries, and Museums	2,581,568	2,840,361	3,142,268	3,541,240	2,980,853
9. Corrections	935,382	1,031,100	1,156,916	1,255,511	1,334,427
10. Judicial	320,727	359,925	407,675	467,947	532,774
11. Restricted Federal & Other Grants/Accounts (2)	779,670	654,243	813,100	-	-
12. Debt Service	1,318,265	1,356,817	1,491,013	1,339,226	1,420,190
Total Expenditures	\$12,307,400	\$13,051,088	\$14,282,471	\$14,772,883	\$14,803,732

(1) Includes General, Special Revenue, and Debt Service Funds.

(2) Beginning in FY 2001, Restricted Federal & Other Grants/Accounts expenditures have been recorded in the correct function of government.

[Statistical Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Revenues by Source

Last Ten Fiscal Years

(Expressed in Thousands)

SOURCE (1)	1993	1994	1995	1996	1997
1. Taxes	\$6,140,718	\$6,436,828	\$6,822,277	\$7,339,263	\$7,611,339
2. Licenses, Permits, and Fees	398,979	425,480	418,660	429,803	447,333
3. Tobacco Settlement	-	-	-	-	-
4. Intergovernmental	2,616,995	2,641,448	2,734,163	2,830,481	2,782,901
5. Charges for Services	88,852	176,757	201,434	211,829	269,349
6. Fines, Forfeits, and Rents	35,843	33,226	37,145	25,359	31,356
7. Casino Gaming Payments	-	-	-	-	-
8. Restricted Federal & Other Grants/Accounts (2)	-	-	-	-	-
9. Investment Earnings	75,141	62,218	74,574	73,235	90,689
10. Lottery	692,528	552,992	670,801	706,860	-
11. Miscellaneous	156,391	262,590	228,624	192,358	180,458
Total Revenues	\$10,205,447	\$10,591,539	\$11,187,678	\$11,809,188	\$11,413,425

SOURCE (1)	1998	1999	2000	2001	2002
1. Taxes	\$8,130,258	\$8,336,873	\$8,844,733	\$9,196,056	\$8,278,340
2. Licenses, Permits, and Fees	471,996	483,220	455,531	510,104	551,369
3. Tobacco Settlement	-	-	149,960	112,535	139,968
4. Intergovernmental	2,853,800	2,258,276	2,388,127	3,279,026	3,328,281
5. Charges for Services	312,909	59,102	76,929	77,573	61,047
6. Fines, Forfeits, and Rents	35,019	53,695	62,354	68,931	71,039
7. Casino Gaming Payments	-	288,532	318,986	332,418	368,954
8. Restricted Federal & Other Grants/Accounts (2)	-	654,243	818,070	-	-
9. Investment Earnings	106,040	95,324	105,247	120,136	75,280
10. Lottery	-	-	-	-	-
11. Miscellaneous	173,649	190,851	217,483	329,797	292,742
Total Revenues	\$12,083,671	\$12,420,116	\$13,437,420	\$14,026,576	\$13,167,020

(1) Includes General, Special Revenue, and Debt Service Funds.

(2) Beginning in FY 2001, Restricted Federal & Other Grants/Accounts revenues have been recorded in the correct revenue source.

NOTE: Beginning in 1997, the Lottery revenues are no longer reported under Special Revenue Funds, but are included in the Enterprise Funds.

SOURCE: Combined Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds

[Statistical Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Computation of Legal Debt Margin

November 1, 2002

(Expressed in Thousands)

Estimated General Fund Tax Receipts for the Fiscal Year Ending June 30, 2002	\$8,147,500
Factor	1.6
Statutory Debt Limit for Debt Incurred	13,036,000
Less: Authorized Bonds, Notes, and Other Obligations subject to certain limitations.	11,724,239
Legal Debt Margin	\$1,311,761

SOURCE: State of Connecticut General Obligation Bonds Offering Statement
Dated December 1, 2002

[Statistical Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Net General Long-Term Bonded Debt Per Capita

Last Ten Fiscal Years

(Thousands, except for net debt per capita)

YEAR	POPULATION	GENERAL LONG-TERM DEBT		NET	NET DEBT PER CAPITA
		TOTAL DEBT	LESS DEBT SERVICE AVAILABLE		
1993	3,309	7,385,997	432,522	6,953,475	2,101
1994	3,316	7,927,705	489,584	7,438,121	2,243
1995	3,324	8,516,066	420,163	8,095,903	2,435
1996	3,337	9,200,672	455,740	8,744,932	2,620
1997	3,347	9,548,618	476,731	9,071,887	2,710
1998	3,365	9,719,236	498,418	9,220,818	2,740
1999	3,386	10,093,823	739,327	9,354,496	2,762
2000	3,406	10,291,418	539,525	9,751,893	2,863
2001	3,435	10,830,356	575,512	10,254,844	2,985
2002	3,461	11,702,339	680,041	11,022,298	3,185

SOURCES: U.S. Census Bureau
Balance Sheet-Governmental Funds

[Statistical Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Ratio of Annual Debt Service General Bonded Debt To Total General Expenditures

Last Ten Fiscal Years

(Expressed in Thousands)

YEAR	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	TOTAL GENERAL EXPENDITURES	RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES
1993	362,356	398,550	760,906	10,493,676	7.3%
1994	404,921	387,722	792,643	10,934,227	7.3%
1995	560,746	438,172	998,918	11,924,474	8.4%
1996	523,090	448,880	971,970	12,220,818	8.0%
1997	597,819	470,744	1,068,563	11,751,369	9.1%
1998	731,968	500,529	1,232,497	12,307,400	10.0%
1999	755,628	520,304	1,275,932	13,051,088	9.8%
2000	742,584	540,748	1,283,332	14,282,471	9.0%
2001	789,523	549,703	1,339,226	14,772,883	9.1%
2002	824,825	599,795	1,424,620	14,803,732	9.6%

SOURCE: Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

[Statistical Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Revenue Bond Coverage

Bradley International Airport

Last Ten Fiscal Years

(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30,	GROSS REVENUES(1)	DIRECT OPERATING EXPENSES (2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
				PRINCIPAL	INTEREST	TOTAL	COVERAGE
1993	30,399	17,859	12,540	1,405	8,157	9,562	1.31
1994	34,355	18,966	15,389	2,295	7,275	9,570	1.61
1995	40,217	18,757	21,460	2,455	7,104	9,559	2.25
1996	38,313	20,575	17,738	2,630	6,919	9,549	1.86
1997	38,794	19,746	19,048	2,820	6,718	9,538	2.00
1998	46,432	19,396	27,036	3,030	6,502	9,532	2.84
1999	48,133	21,242	26,891	3,240	6,268	9,508	2.83
2000	55,888	21,815	34,073	3,480	6,084	9,564	3.56
2001	53,364	24,688	28,676	6,785	8,291	15,076	1.90
2002	54,712	27,838	26,874	3,860	11,609	15,469	1.74

(1) Includes Operating and Non-Operating Revenues.

(2) Includes Operating Expenses Less Depreciation, & Interest Expenses.

SOURCES: Bradley International Airport Financial Statements

[Statistical Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Revenue Bond Coverage

Bradley Parking Garage

Last Ten Fiscal Years

(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30,	GROSS REVENUES(1)	DIRECT OPERATING EXPENSES (2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
				PRINCIPAL	INTEREST	TOTAL	COVERAGE
2002	17,498	11,691	5,807	-	3,575	3,575	1.62

(1) Includes Operating and Non-Operating Revenues.

(2) Includes Operating Expenses Less Depreciation, & Interest Expenses.

SOURCE: Combining Statement of Net Assets

[Statistical Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Revenue Bond Coverage

Higher Education

Current Fiscal Year

(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30,	GROSS REVENUES(1)	DIRECT OPERATING EXPENSES (2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
				PRINCIPAL	INTEREST	TOTAL	COVERAGE
2002	1,999,018	1,755,980	243,038	46,052	8,290	54,342	4.47

(1) Includes Operating and Non-Operating Revenues and Transfers In.

(2) Includes Operating Expenses Less Depreciation, & Interest Expenses.

SOURCE: Higher Education Financial Statements

[Statistical Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Revenue Bond Coverage

Second Injury & Compensation Assurance

Current Fiscal Year

(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30,	GROSS REVENUES(1)	DIRECT OPERATING EXPENSES (2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
				PRINCIPAL	INTEREST	TOTAL	COVERAGE
2002	112,608	50,654	61,954	50,830	10,581	61,411	1.01

(1) Includes Operating and Non-Operating Revenues

(2) Includes Operating Expenses Less Depreciation and Interest Expenses.

SOURCE: Treasurer's Report

[Statistical Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Revenue Bond Coverage

Clean Water

Current Fiscal Year

(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30,	GROSS REVENUES(1)	DIRECT OPERATING EXPENSES (2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
				PRINCIPAL	INTEREST	TOTAL	COVERAGE
2002	48,471	986	47,485	31,040	29,917	60,957	0.78

(1) Includes Operating, Non-Operating Revenues and Federal Grants

(2) Includes Operating Expenses Less Depreciation and Interest Expenses.

SOURCE: Clean Water Financial Statements

[Statistical Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Revenue Bond Coverage

Drinking Water

Current Fiscal Year

(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30,	GROSS REVENUES(1)	DIRECT OPERATING EXPENSES (2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
				PRINCIPAL	INTEREST	TOTAL	COVERAGE
2002	9,366	1,541	7,825	-	1,375	1,375	5.69

(1) Includes Operating, Non-Operating Revenues and Federal Grants

(2) Includes Operating Expenses Less Depreciation and Interest Expenses.

SOURCE: Drinking Water Financial Statements

[Statistical Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Bank Deposits

Last Ten Fiscal Years

(Expressed in Thousands)

TOTAL
AS OF:

BANK DEPOSITS

1993	55,532,661
1994	54,836,057
1995	53,640,331
1996	39,120,816
1997	38,936,046
1998	33,754,043
1999	33,149,787
2000	34,747,254
2001	35,592,017
2002	37,709,058

NOTE: For the years 1993 - 1996, bank deposits for credit unions were not included.

The reduction in deposits in 1996 can be attributed to out of state bank mergers: Deposits with banks not headquartered in Connecticut are no longer included.

SOURCES: Department of Banking

[Statistical Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Seasonally Adjusted Non-Farm Employment & Earnings Share for Connecticut Industry (1992 & 2002)

INDUSTRY	EMPLOYMENT	EMPLOYMENT	EARNINGS	EARNINGS
	% 1992	% 2002	% 1992	% 2002
Mining	0.1%	.05%	0.1%	0.2%
Construction	3.2%	3.8%	4.8%	5.5%
Manufacturing	19.7%	14.2%	22.7%	16.1%
Transportation & Utilities	4.5%	4.5%	4.8%	4.9%
Retail & Wholesale Trade	21.6%	21.5%	15.1%	13.6%
Finance, Ins. & Real Estate	9.3%	8.4%	11.9%	16.8%
Services	28.2%	32.5%	27.3%	29.8%
Government	13.6%	15.0%	13.3%	13.2%

Note: employment numbers for 2002 are based on December preliminary estimates and 2002 earnings data is for the 3rd quarter. Comparable periods are used for 1992.

SOURCES: Bureau of Labor Statistics & Bureau of Economic Analysis

[Statistical Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Total Non-farm Payroll Employment for Connecticut and the United States (Seasonally Adjusted, in Thousands)

YEAR	EMPLOYMENT CONNECTICUT	EMPLOYMENT UNITED STATES	% CHANGE CONNECTICUT	% CHANGE UNITED STATES
1992	1,520.1	109,266		
1993	1,533.8	112,034	0.9%	2.5%
1994	1,553.4	115,918	1.3%	3.5%
1995	1,566.2	118,118	0.8%	1.9%
1996	1,601.8	120,916	2.3%	2.4%
1997	1,627.7	124,270	1.6%	2.8%
1998	1,656.0	127,297	1.7%	2.4%
1999	1,677.6	130,406	1.3%	2.4%
2000	1,694.2	132,319	1.0%	1.5%
2001	1,672.1	130,890	-1.3%	-1.1%
2002	1,662.8	130,661	-0.6%	-0.2%

NOTE: employment change represents percent change from the same period of the prior year.

SOURCE: Bureau of Labor Statistics.

[Statistical Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Total Labor Force and Unemployment Rate for Connecticut and the United States (Seasonally Adjusted, in Thousands)

YEAR	LABOR FORCE CONNECTICUT	LABOR FORCE UNITED STATES	UNEMPLOYMENT CONNECTICUT	UNEMPLOYMENT UNITED STATES
1992	1,795.8	128,554	6.9%	7.4%
1993	1,759.7	129,941	5.8%	6.5%
1994	1,713.5	131,951	5.4%	5.5%
1995	1,708.8	132,511	5.7%	5.6%
1996	1,729.8	135,113	5.7%	5.4%
1997	1,717.1	137,155	4.2%	4.7%
1998	1,701.5	138,634	3.2%	4.4%
1999	1,726.8	140,174	2.8%	4.0%
2000	1,740.0	143,239	2.3%	3.9%
2001	1,708.8	144,379	4.0%	5.8%
2002	1,727.4	145,150	4.6%	6.0%

NOTE: Connecticut and U.S. Labor Force numbers for 2002 are based on December preliminary estimates.

SOURCE: Bureau of Labor Statistics.

[Statistical Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Per Capita Personal Income for Connecticut and the United States (Thousands)

YEAR	CONNECTICUT	UNITED STATES	% ABOVE THE UNITED STATES
1992	\$28,412	\$20,960	35.6%
1993	29,272	21,539	35.9%
1994	30,092	22,340	34.7%
1995	31,381	23,255	34.9%
1996	32,773	24,270	35.0%
1997	34,759	25,412	36.8%
1998	37,108	26,893	38.0%
1999	38,614	27,880	38.5%
2000	41,392	29,770	39.0%
2001	42,435	30,472	39.3%

SOURCE: Bureau of Economic Analysis

[Statistical Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Real Median Household Income for Connecticut and the United States (in 2001 CPI-U adjusted dollars)

YEARS	CONNECTICUT	UNITED STATES	% ABOVE THE UNITED STATES
1992	\$50,498	\$37,880	33.3%
1993	47,671	37,688	26.5%
1994	48,555	38,119	27.4%
1995	46,419	39,306	18.1%
1996	47,313	39,869	18.7%
1997	48,376	40,699	18.9%
1998	50,441	42,173	19.6%
1999	53,958	43,355	24.5%
2000	51,552	43,195	19.3%
2001	53,347	42,228	26.3%

SOURCE: U.S. Census Bureau.

[Statistical Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Total Personal Income Growth Rates and Dollar Amounts (000) Connecticut and the United States

YEAR	% GROWTH CONNECTICUT	% GROWTH UNITED STATES	AMOUNT (000) CONNECTICUT	AMOUNT (000) UNITED STATES
1992			\$93,778,706	\$5,376,622,000
1993	3.3%	4.1%	96,866,466	5,598,446,000
1994	3.0%	5.0%	99,787,807	5,878,362,000
1995	4.5%	5.3%	104,315,124	6,192,235,000
1996	4.8%	5.6%	109,353,546	6,538,103,000
1997	6.5%	6.0%	116,420,559	6,928,545,000
1998	7.3%	7.1%	124,880,308	7,418,497,000
1999	4.7%	4.9%	130,761,998	7,779,511,000
2000	7.9%	8.0%	141,151,317	8,398,796,000
2001	3.0%	3.3%	145,341,415	8,678,255,000

Source: Bureau of Economic Analysis

[Statistical Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Connecticut Population Statistics (In Thousands)

YEAR	TOTAL POPULATION	% GROWTH FROM PREVIOUS YEAR
1992	3,301	
1993	3,309	0.3%
1994	3,316	0.2%
1995	3,324	0.2%
1996	3,337	0.4%
1997	3,349	0.4%
1998	3,365	0.5%
1999	3,386	0.6%
2000	3,406	0.6%
2001	3,435	0.9%
2002	3,461	0.8%

SOURCE: U.S. Census Bureau.

[Statistical Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Top Twenty Non-Government Employers

2002 RANK	2001 RANK	NAME	HEADQUARTERS	TOTAL CT EMPLOYEES	
				2002	2001
1	1	Stop & Shop	Quincy, MA	15,500	15,400
2	2	Mashantucket Pequot Tribal Nation	near Ledyard, CT	13,396	13,202
3	3	Pratt & Whitney	East Hartford, CT	13,000	13,000
4	4	The Hartford Financial Services Group Inc.	Hartford, CT	12,000	11,000
5	5	Yale University	New Haven , CT	11,300	10,243
6	6	SBC SNET	New Haven, CT	9,600	9,600
7	16	Mohegan Sun Casino	Montville, CT	9,500	6,000
8	9	Hartford Health Care Corp	Hartford, CT	8,919	8,507
9	8	Aetna,Inc.	Hartford, CT	7,924	7,800
10	13	CIGNA Group	Philadelphia, PA	7,417	6,889
11	12	Sikorsky Aircraft	Stratford, CT	7,300	7,200
12	10	General Electric Co.	Fairfield, CT	7,200	7,700
13	11	Electric Boat	Groton , CT	7,126	7,700
14	15	Pfizer Inc.	Groton , CT	6,500	6,400
15	17	Pitney Bowes Inc.	Stamford, CT	6,000	6,000
16	19	Yale-New Haven Hospital	New Haven, CT	5,854	5,500
17	-	Travelers Property Casualty Corp.	Hartford, CT	5,828	5,858
18	18	FleetBoston Financial Group	Boston, MA	5,600	5,600
19	14	Northeast Utilities	Berlin, CT	4,523	6,597
20	20	Hamilton Sundstrand	Windsor Locks, CT	4,100	4,300

[Statistical Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Major Revenue Sources - General Fund

Last Ten Fiscal Years

(Millions)

FISCAL YEAR	SALES & USE TAX	% OF TOTAL REVENUE	PERSONAL INCOME TAX	% OF TOTAL REVENUE	CORPORATION TAX	% OF TOTAL REVENUE
1993	2,056.2	27.2%	2,392.0	31.6%	715.2	9.4%
1994	2,181.4	27.6%	2,517.7	31.8%	703.5	8.9%
1995	2,368.1	27.9%	2,589.9	30.6%	724.7	8.6%
1996	2,460.1	27.0%	2,879.4	31.6%	748.1	8.2%
1997	2,611.5	27.3%	3,110.9	32.5%	677.9	7.1%
1998	2,772.1	27.3%	3,596.2	35.5%	663.7	6.5%
1999	2,932.2	25.8%	3,820.8	33.6%	619.5	5.5%
2000	3,096.8	25.5%	4,238.2	34.9%	587.8	4.8%
2001	3,125.1	24.3%	4,744.2	36.8%	550.5	4.3%
2002	2,997.6	25.1%	4,265.9	35.7%	381.0	3.2%

SOURCE: Annual Report of the State Comptroller ([Schedule B-2](#))

[Statistical Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Sales and Use Tax - Major Industrial Categories

June 30, 2002

(Millions)

INDUSTRY	TAX	PERCENT
Construction	\$104.6	3.7%
Manufacturing	178.8	6.3%
Wholesale	155.6	5.4%
Retail:		
Hardware	148.8	5.2%
General Merchandise	141.3	4.9%
Food Products	117.6	4.1%
Auto Products	384.2	13.4%
Apparel	42.1	1.5%
Home Appliances & Furnishings	128.2	4.5%
Eating & Drinking Establishments	194.2	6.8%
Miscellaneous Shopping Stores	316.3	11.1%
Business	445.3	15.6%
All Other Businesses	500.9	17.5%
Total Sales & Use Tax	\$2,857.9	

NOTE: The figures shown are based on returns filed on a timely basis and do not include audits or late returns.

SOURCE: Department of Revenue Services

[Statistical Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Miscellaneous Statistics

June 30, 2002

Date of Ratification	January 9, 1788
Form of Government	Legislative - Executive - Judicial
Miles of State Highway	4,109
Land Area	5,009 Square Miles
State Police Protection:	
Number of Stations	12
Number of State Police	1,334
Higher Education (Universities, Colleges and Community Colleges):	
Number of Campuses in State	22
Number of Educators	3,497
Number of Students	102,570
Recreation:	
Number of State Parks	93
Area of State Parks	32,960 Acres
Area of State Forests	149,352 Acres
Employees:	
Full-Time	54,058
Part-Time (Permanent)	3,278

SOURCE: Connecticut State Register and Manual

[Statistical Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)

State of Connecticut

Office of the State Comptroller Organization

Nancy Wyman

State Comptroller

Mark E. Ojakian

Deputy Comptroller

MANAGEMENT SERVICES DIVISION

Bernard McLoughlin

Director

RETIREMENT & BENEFIT SERVICES DIVISION

Steven Weinberger

Director

POLICY SERVICES DIVISION

Brenda Halpin

Director

ACCOUNTS PAYABLE DIVISION

Mark Aronowitz

Director

INFORMATION TECHNOLOGY DIVISION

James Shumway

Director

PAYROLL SERVICES DIVISION

Gary Reardon

Director

BUDGET & FINANCIAL ANALYSIS DIVISION

John Clark

Director

Accounting Services

Robert Krueger - *Assistant Director*

Hazel Brown

Financial Reporting

Gerardo Villa, CPA

Christopher Bacon

Robert Gribbon

Richard Haley

David LaPierre

Paul Rifkin

Nancy Walsh

Julie Wilson

Accounting Operations

Doris Przygocki

Karen Hurst

Yvette Jenkins

Gary Russell

Sylvia Caraballo

Technical Support

Richard DePaolis

[Statistical Section](#) | [Table of Contents](#) | [Index of Comptroller's Reports](#) | [Comptroller's Home Page](#)